

JASPER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016

COUNTY COUNCIL

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COUNTY ADMINISTRATOR
ANDREW P. FULGHUM

DIRECTOR OF ADMINISTRATIVE SERVICES
RONNIE K. MALPHRUS

PREPARED BY:
FINANCE DEPARTMENT

Jasper County, South Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

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INTRODUCTORY SECTION



OFFICE OF THE JASPER COUNTY ADMINISTRATOR

358 Third Avenue – Courthouse Square – Post Office Box 1149
Ridgeland, South Carolina 29936 - 843-717-3690 – Fax: 843-726-7800

Andrew P. Fulghum
County Administrator

afulghum@jaspercountysc.gov

December 2, 2016

The Honorable Members of County Council and the Citizens of Jasper County, South Carolina:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted accounting standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Jasper County for the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations management of the County has established a comprehensive internal control framework, that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, Jasper County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Baird & Company CPAS, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2016 are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with GAAP. The independent auditors' reports is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Jasper County's MD&A can be found immediately following the report of the independent auditors.

In addition to the fund-by-fund financial information currently presented in the County's financial statements, we are now including government-wide financial statements. The government-wide financial statements include a statement of net assets that provides the total net equity of the County including infrastructure and the statement of activities that shows the cost of providing government services. These statements have been prepared using the full accrual basis of accounting versus the modified accrual method used in the fund financial statements. A reconciliation report is provided as a key to understanding the changes between the two reporting methods. In addition, the new reporting model includes an emphasis on the County's major funds as shown in the governmental fund statements. These new statements combined with other information are further analyzed in a new narrative section called management's discussion and analysis (MD&A). The MD&A provides "financial highlights and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data." In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the County.

Profile of the Government

The County was founded in 1912 and is located in the southeastern part of South Carolina, just north of Savannah, Georgia. The County currently occupies a land area of 662 square miles and serves a population of 27,170. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County operates under the council administrator form of government. Policy-making and legislative authority are vested in a governing council consisting of five members. The governing council is responsible, among other things for passing ordinances, adopting the budget, appointing committees, and hiring both the government's administrator and attorney. The government's administrator is responsible for carrying out policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of various departments. The Council members serve four-year staggered terms, with three council members elected every two years. Four of the council members are elected to single member districts and one member is elected at large.

The County provides a full range of services including: police and fire protection, the maintenance of highways, streets, and other infrastructure, recreational activities, and cultural events, sanitation services, emergency medical services, E-911 and courts service. The County underwent a salary and staffing study in 2008 that redefined the functional areas of certain department heads. These recommendations were adopted by the County to allow for greater accountability. The financial statements were reorganized to comply with these changes.

The annual budget serves as the foundation for the County's financial planning and control. All departments of Jasper County are required to submit requests for appropriations to the administrator on or before the last day in March each year. The County administrator uses these requests as the starting point for developing a proposed budget. The County administrator then presents this proposed budget to the council for review prior to May 15th. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30th, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the administrator at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 56-58 as part of the required supplementary information for governmental funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

The County's budgeted fiscal year 2017 assessable base is \$123,353,297., up .0008% from the assessable base of \$123,246,225. in fiscal year 2016. The County's private sector average weekly wage increased 3.7% from \$680 last year to the current \$705. The U.S. Census reports that the median household income for Jasper County is \$37,141.

The 2015 U.S. Census population estimate for Jasper County is 27,824. A 2006 study completed by Clemson University's Strom Thurmond Institute projected that Jasper County would grow in population to 177,000 residents by 2026. The U.S. Census reports a 12.3% population percentage increase in Jasper County from April 1, 2010 to July 1, 2015. The State of South Carolina experienced a 5.9% population increase statewide during the same period.

Jasper County is located west of Beaufort County and the Towns of Bluffton and Hilton Head Island. There are two municipalities within Jasper County—the Town of Ridgeland, which is the County seat and is located in the center of the County and the City of Hardeeville, which is located in the southern portion of the County. Interstate 95 (I-95) runs north and south through the middle of the County for a distance of 36 miles with seven interchanges. Two primary corridors, US 278 running east/west and SC 170 running north/south, accommodate a majority of the tourist traffic in both Jasper and Beaufort Counties. Most of Jasper County's large-scale residential and commercial growth is occurring along these corridors in multi-use communities with vested densities.

Approximately 30,000 acres of large tract, mixed use development projects have been approved in those areas. Over the past decade, Jasper County, the City of Hardeeville, and the Town of Ridgeland have authorized approximately 77,000 new dwelling units. Over 4,000 acres of proposed commercial development projects have also been approved.

As a result of The Great Recession, Jasper County experienced a growth slow-down yet continues to grow at roughly 2%-3% each year. The impact of the recession and resulting construction slowdown in Jasper County was hard felt, as many private sector jobs in Jasper County were traditionally construction or service related, supporting growth and tourism in the region.

Jasper County's unemployment rate is currently 4.1%. The state unemployment rate is 4.7%. The County has long suffered from an underemployment problem rather than an unemployment problem. For this reason, Jasper County continues to focus on creating sustainable jobs for its residents and diversifying its tax base. For many years, the County has supported a regional approach to economic development and job creation. The idea of developing a regional, economic development vision and leveraging regional economic development resources to attract sustainable jobs makes sense for the County.

Jasper County is a member of the Southern Carolina Economic Development Alliance (SCA). The SCA is a regional economic development organization representing Allendale, Bamberg, Barnwell, Colleton, Hampton and Jasper Counties in the southern part of South Carolina. The SCA was formed as a non-profit economic development organization to aggressively market the Southern Carolina area for industrial locations. The SCA's economic development team consists of site location professionals prepared to quickly assess site location needs and formulate sites and present existing buildings that will meet the client's business needs. Working with the South Carolina Department of Commerce, the SCA prepares incentive packages that are the most competitive offered in the Southeastern United States.

The County has evaluated public and private sites within Jasper County that have been proposed for economic development projects. The County and the SCA are currently focused on creating industrial sites and building speculative buildings. Efforts are underway to publicly and privately finance infrastructure improvements/extensions to and within these properties. RiverPort Business Park, a privately owned, 1,400 acre premier logistics center for warehousing, distribution, and light industrial use, is currently being developed in the City of Hardeeville. A new speculative building has been constructed in Point South which is located at Exit 33 on I-95. A new speculative building has also been constructed in the County-owned Cypress Ridge Business/Industrial Park just west of the interstate and the Town of Ridgeland. Jasper County and the Town of Ridgeland have previously worked toward developing a new industrial park along I-95 between Exits 21 & 22 in Ridgeland known as the Ridgeland Industrial Park. Jasper County and the City of

Hardeeville have worked together to develop a City-owned industrial park named the Hardeeville Commerce Park located along I-95 at Exit 5. Additionally, the County is currently constructing a new runway, parallel taxiway, and terminal at the Ridgeland-Claude Dean Airport in Ridgeland to improve safety and increase business development opportunities in the County. The project is anticipated to cost \$20 million and is eligible for 90% grant funding from the Federal Aviation Administration (FAA) and 5% grant funding from the SC Aeronautics Commission.

Since 2007, the States of Georgia and South Carolina have been working together, through a bi-state effort, to develop and operate a new deep-water shipping terminal in Jasper County on approximately 1 500 acres of land located in the southern portion of Jasper County along the Savannah River. This port has been named the Jasper Ocean Terminal (JOT). Georgia and South Carolina jointly purchased the property and established a bi-state, joint project office (JPO) to oversee the design and development of the new port. All preliminary design and feasibility studies have been completed for the new port. The permitting process through the U.S. Army Corps of Engineers began in November 2015. The new port is anticipated to be operational in 2025.

The new port will have a tremendous impact on the local economy and presents the potential for substantial financial benefit to Jasper County. It has been estimated that the new port will produce 450 direct jobs, as many as 98,000 new jobs in the region, one million jobs overall, and \$9 billion in new tax revenue for the States of Georgia and South Carolina.

Long-term Financial Planning

Jasper County spent much time and effort in years past trying to understand and manage the growth it was experiencing. One of the primary concerns was to assure that the future cost of providing County services did not exceed the revenues received from the new growth. To that end, the County has maintained a growth management strategy that encourages a vast majority of all of the residential and commercial development to take place within the corporate boundaries of either the City of Hardeeville or the Town of Ridgeland.

With most of the planned residential and commercial development, Jasper County and the municipalities of Hardeeville and Ridgeland were involved in jointly negotiating development agreements with developer fees that offset the initial cost of providing additional government services beyond property tax revenue generated from the development. Fees were assessed to assist the entities with providing school, library, police, fire, and parks and recreation infrastructure. When and if all of the residential and commercial development proceeds as proposed, the County and its municipalities will have received over \$300 million in voluntary developer fees.

The Jasper County Council also supports the development of affordable housing to ensure that affordable housing opportunities remain in Jasper County as the area grows. A housing needs assessment was completed for Jasper County in 2008. Since that time, new affordable rental, single-family home construction, and rehabilitation projects have been completed. The County has provided direct financial support for some of these projects. Jasper County also provides an annual budget appropriation to a non-profit organization developing affordable housing in the County.

Since The Great Recession, the County reacted to uncertain financial conditions by cutting its operating budget, reducing its workforce, and controlling expenditures. Three years ago, the County was able to see the positive results of making those difficult financial management decisions. The County's bond rating with Standard & Poor's increased from A+ to AA- and the County ended the year with expenditures under budget and a substantial increase in fund balance. Again this year, the County experienced positive results. Expenditures were under budget by \$543,633., fund balance increased by \$2,209,881., the combined ending fund balance ended at \$17,023,630., and the unassigned fund balance for the general fund was \$10,007,590. or 42% of total fund expenditures.

In fiscal year 2017, the County has used the fund balance to fund salary increases and fund recovery efforts associated with Hurricane Matthew.

Significant Financial Policies

The County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required the restatement of net position at June 30, 2014 and the reporting of its net pension liability each year going forward.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to Jasper County, South Carolina for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the 18th consecutive year that Jasper County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to certificate of achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report was made possible by the cooperation of the department heads and staff of the County. Each of these individuals has our sincere appreciation for the contributions made in the preparation of this report.

Sincerely,



Andrew P. Fulghum
County Administrator



Ronnie Malphrus
Deputy Administrator-Finance

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

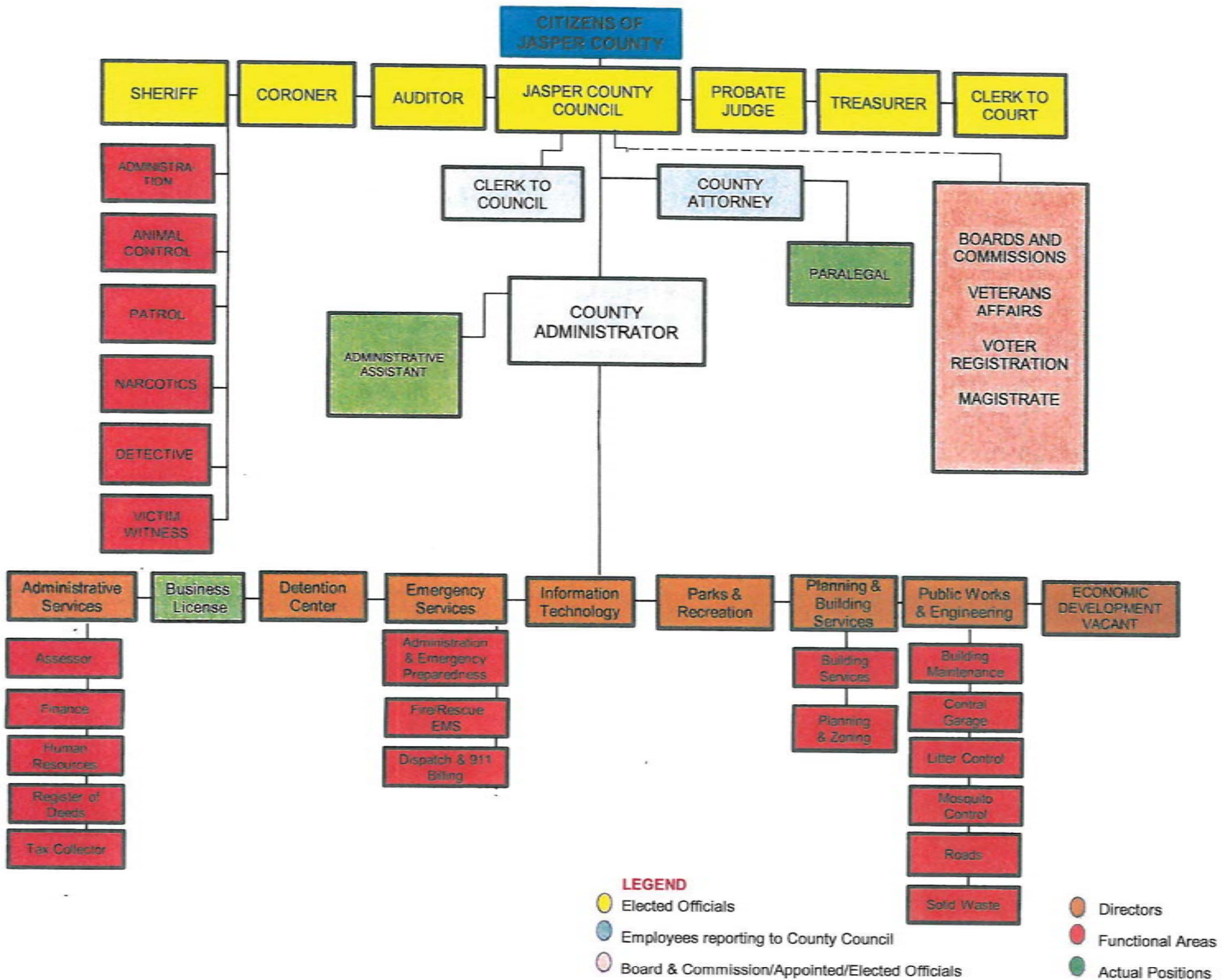
Presented to

**Jasper County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



**JASPER COUNTY, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2016**

TITLE	NAME
Chairman – County Council.....	L. Martin Sauls, IV
Vice Chairman – County Council.....	D. Thomas Johnson
Council Member.....	Theodus L. Drayton
Council Member.....	Henry Etheridge
Council Member.....	Barbara Clark
Administrator.....	Andrew P. Fulghum
Director of Administrative Services.....	Ronnie Malphrus
Director of Engineering Services.....	Dale Terry
Director of Emergency Services.....	Wilbur Daley
Treasurer.....	Verna Garvin
Sheriff.....	Gregory Jenkins
Auditor.....	Hazel Holmes

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the County Council
Jasper County, South Carolina
Ridgeland, South Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, South Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, South Carolina, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 12-19 and 56-58, Schedule of the Proportionate Share of the Net Pension Liability, and Schedule of Contributions on pages 59-60, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jasper County, South Carolina's basic financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal award is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2016, on our consideration of Jasper County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jasper County, South Carolina's internal control over financial reporting and compliance.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 2, 2016

Jasper County, South Carolina **Management's Discussion and Analysis**

As management of Jasper County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 6 of this report.

Financial Highlights

- The assets and deferred outflows of the County exceed its liabilities and deferred inflows at the close of the most recent fiscal year by \$10,346,909 (net position).
- The County's total net position increased by \$3,105,992.
- As of the close of the current fiscal year the County's governmental funds reported combined ending fund balance of \$17,023,630, an increase of \$2,209,881.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,007,590 or 42% of total fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Jasper County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases and decreases in the net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, finance, public works, sanitation, emergency services, codes and law enforcement, courts, economic development, health, education and welfare, and parks, recreation and tourism. The County currently has no business type activities.

The government-wide financial statements can be found on pages 20-21 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into these two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governments for which similar information is presented for the governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, economic development fund and the capital projects fund that are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report,

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. All of the fiduciary funds are agency funds – assets equal liabilities. The basic fiduciary fund financial statement can be found on page 26 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-55 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget on pages 56-58 and historical pension information on pages 59-60.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 61-66 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Jasper County, assets and deferred outflows exceeded liabilities and deferred inflows by \$10,346,909 at the close of the most recent fiscal year. The following table reflects the condensed governmental-wide statement of net position.

JASPER COUNTY, SOUTH CAROLINA NET POSITION		
	2016	2015
Current and Other Assets		
Cash and Other Assets	\$ 21,085,276	\$ 18,030,510
Capital Assets	36,642,994	32,936,928
Total Assets	<u>57,728,270</u>	<u>50,967,438</u>
Deferred Outflows of Resources	<u>1,712,592</u>	<u>1,554,262</u>
Long-term Liabilities Outstanding	46,377,579	41,900,880
Other Liabilities	<u>2,651,412</u>	<u>1,829,969</u>
Total Liabilities	<u>49,028,991</u>	<u>43,730,849</u>
Deferred Inflows of Resources	<u>64,962</u>	<u>1,549,934</u>
Net Position		
Net Investment in Capital Assets	16,690,228	13,998,492
Restricted	3,108,207	2,135,942
Unrestricted	<u>(9,451,526)</u>	<u>(8,893,517)</u>
Total Net Position	<u>\$ 10,346,909</u>	<u>\$ 7,240,917</u>

By far the largest portion of the County's net position \$16,690,228 reflects its investment in capital assets (e.g. land, construction in progress, building and improvements, machinery and equipment, vehicles, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

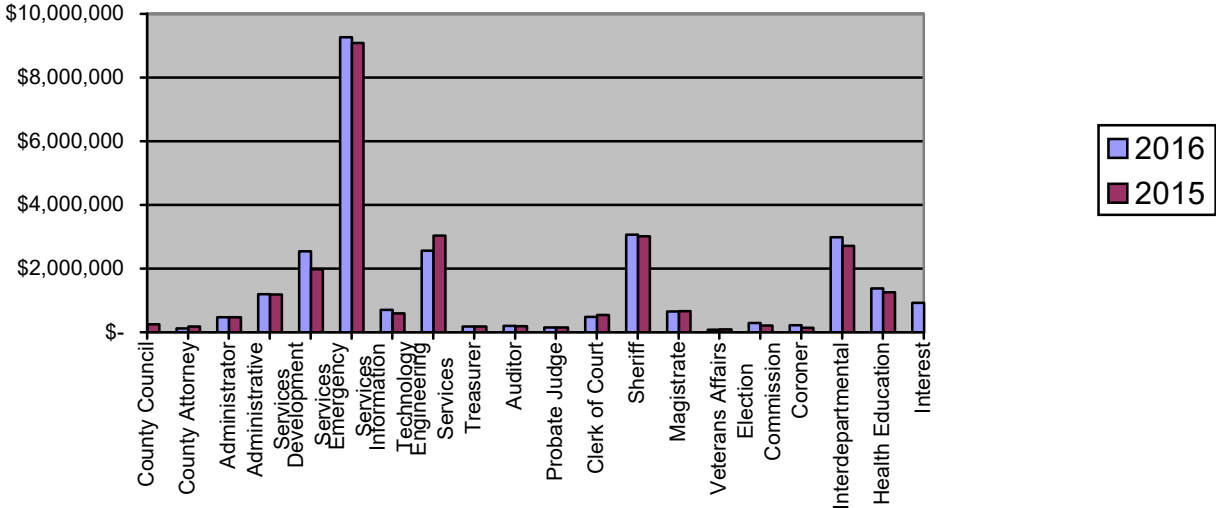
The restricted portion of net position of \$3,108,207 represents the balance of net position that has restricted resources and is not available to fund other commitments. The restricted net position relates to capital projects underway, debt service accounts, tourist related projects, and other revenue sources that are earmarked for specific County functions.

Governmental activities. The County's total net position increased by \$3,105,992 in 2016 compared to an increase of \$1,444,929 in 2015. Key elements of this increase are as shown in the following table.

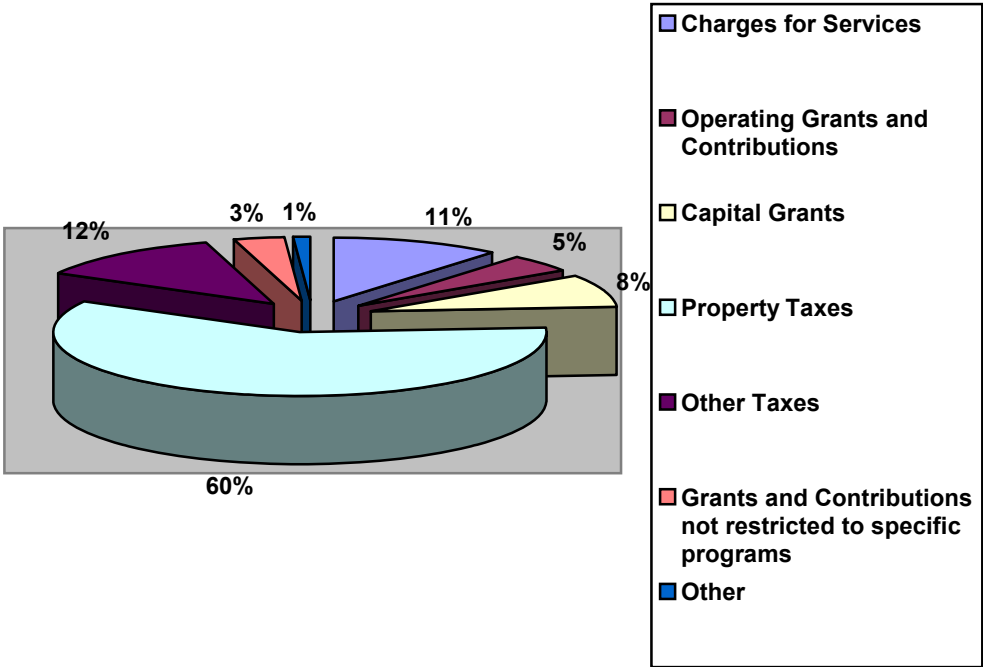
JASPER COUNTY, SOUTH CAROLINA CHANGE IN NET POSITION		
	Governmental Activities	
	2016	2015
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,396,991	\$ 3,148,979
Operating Grants and Contributions	1,428,999	1,182,931
Capital Grants and Contributions	2,543,774	1,416,623
General Revenues:		
Property Taxes	18,238,642	17,774,631
Other Taxes	3,852,025	3,184,234
Grants and Contributions not restricted to specific programs	1,047,710	1,279,897
Other	322,352	300,626
Total Revenues	<u>30,830,493</u>	<u>28,287,921</u>
Expenses:		
County Council	252,936	247,869
County Attorney	123,795	180,703
Administrator	469,224	475,399
Administrative Services	1,194,741	1,183,860
Development Services	2,542,464	1,977,275
Emergency Services	9,271,317	9,089,407
Information Technology	707,467	597,297
Engineering Services	2,566,479	3,033,537
Treasurer	181,095	177,494
Auditor	197,023	188,562
Probate Judge	151,938	155,556
Clerk of Courts	484,724	542,034
Sheriff	3,063,133	3,010,819
Magistrate	656,365	658,900
Veterans Affairs	84,009	85,452
Election Commission	286,443	211,264
Coroner	216,135	145,566
Interdepartmental	2,981,098	2,711,506
Health, Education and Welfare	1,373,727	1,253,636
Interest Expense	920,388	916,856
Total Expenses	<u>27,724,501</u>	<u>26,842,992</u>
Change in net position	3,105,992	1,444,929
Net position - beginning	7,240,917	21,112,441
Prior Period Restatement	-	(15,316,453)
Net position - ending	<u>\$ 10,346,909</u>	<u>\$ 7,240,917</u>

Total revenues were up \$2,542,572 and expenses were up \$881,509 most of which related to an increase in operating and capital grants.

Expenses – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Jasper County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$17,023,630, an increase of \$2,209,881 in comparison with an increase of \$1,371,122 in the prior year.

The fund balance of the County's General Fund increased by \$1,285,117 during the current fiscal year. Key factors of this increase are as follows:

- Overall County revenues were over budget by \$1,955,734. This positive variance can be explained as follows:
 - Taxes were over budget \$1,229,706. This is attributable to an improvement in the economy resulting in an increase in local option sales taxes collected from growth.
 - Fines, fees and licenses were over budget \$607,126. This is attributable to higher than anticipated revenues in EMS fees of \$143,083, road maintenance fees of \$139,975, building permits of \$295,271, and register of deeds of \$45,954.
- Overall expenditures were under budget by \$543,633. Key elements of this positive variance can be explained as follows:
 - Employee turnover, retirements, and delays in filling County position created a positive variance on the salaries and benefits budgeted of approximately \$478,000.
 - Grant matching funds were \$118,000 under budget and debt service payments were under budget \$165,000 because of timing related to completion of projects.
 - Solid Waste was under budget \$78,000 which was related to fuel and waste tire disposal expenses.
 - Computer maintenance and maintenance contracts related to buildings and other services were over budget by \$84,000.
 - Utilities and telephone were over budget by \$67,000.
 - Legal fees were over budget \$71,000.
 - Post mortems were over budget \$62,000.

The debt service fund has a total fund balance of \$1,043,165 which is restricted for future debt payments.

The economic development fund has a total fund balance of \$2,428,304 which is assigned for future economic development projects.

The capital projects fund has a total fund balance of \$79,529 because the County received advances on amounts to be expended on various projects.

General Fund Budgetary Highlights

During the budget year, the County Administrator can exercise his authority to transfer budgets up to \$5,000 between departments as long as the total budget of the County remains intact. County Council has the authority to amend the budget as required. During the current fiscal year, County Council did not approve any supplemental budget increases or reductions. There were positive variances in both revenues and expenditures.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental type activities as of June 30, 2016 amounts to \$36,642,994 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, vehicles, and infrastructure.

Major capital asset events during the current year include the following:

Building improvements	\$ 123,441
Construction in progress: Ridgeland Airport and Cypress Ridge	391,031
Land and improvements: Airport land and land option	2,154,239
Infrastructure: Campground Road and basketball court paving	358,150
Self control compactor, CAD upgrade, cannon printer, radios	1,646,700
Chevrolet Tahoe, Dodge Chargers, Ford Explorer, Ambulance	371,511
Total Capital Outlay	<u>\$ 5,045,072</u>

Additional information on the County's capital assets can be found in note 4 on page 36 of this report.

Long-term Obligations. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$46,377,579. The County's total long-term obligations increased by \$4,476,699 during the current fiscal year. The County issued a \$1.5 million General Obligation Bond in 2015 but only sold \$617,851 before June 30, 2016. The County added a new capital lease of \$936,618 for Motorola radios. The County added a new bank loan of \$850,000 for construction of a spec building in Cypress Ridge Industrial Park. All other long-term debt was paid as scheduled. Post employment benefits increased by \$1,136,015.

JASPER COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS

	Governmental Activities	
	2016	2015
Bank loans	\$ 1,432,493	\$ 637,386
Capital Leases	1,809,425	1,002,519
General obligation bonds	5,117,851	4,611,277
Revenue bond	13,025,490	13,324,640
Compensated absences	873,966	876,490
Net Pension Liability	17,260,955	15,403,531
Other post employment benefits	6,857,399	6,045,037
Total	<u>\$ 46,377,579</u>	<u>\$ 41,900,880</u>

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8% of its total assessed valuation. The current debt limitation for the County is \$10,615,442. There is \$5,117,851 of general obligation debt issued from 2011 to 2016 to offset this limit for a legal debt margin of \$5,497,591.

Additional information on the County's long-term debt can be found in note 6 on page 38 of this report.

Economic Factors and Next Year's Budget

- Unemployment as of June 2016 stands at 5.0% versus 5.9% a year ago. In comparison, the state's unemployment rate is 5.4% and the national rate is 4.9% as of June 2016.
- Inflationary trends in the region compare favorably to national indexes.
- The assessed valuation for the 2015 tax year increased from \$129,513,171 to \$132,693,021.

All of these factors were considered in preparing the County's budget for the 2016 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to \$10,007,590. The County set millage for the 2017 budget year at 142, which is the same millage as the previous year. Budgeted expenditures for 2017 are projected to increase 8.6% to \$26,424,079 from \$24,329,171 in 2016. Also, the County has budgeted 12 mills for the debt service fund to retire the bonds.

Requests for Information

This financial report is designed to provide a general overview of Jasper County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Jasper County, P.O. Box 1149, Ridgeland, South Carolina, 29936.

BASIC FINANCIAL STATEMENTS

**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2016**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash	\$ 11,375,365
Receivables	4,032,355
Lease Receivable	582,493
Restricted Cash	3,077,336
Property Held for Resale	1,846,726
Prepaid Insurance	171,001
Capital Assets not being depreciated	
Land	4,905,822
Construction in Progress	1,155,691
Capital Assets being depreciated	
Buildings and Improvements	20,651,360
Machinery and Equipment	3,285,810
Vehicles	1,698,809
Infrastructure	4,945,502
Total Assets	57,728,270
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	1,712,592
Total Deferred Outflows of Resources	1,712,592
Total Assets and Deferred Outflows of Resources	\$ 59,440,862
LIABILITIES	
Accounts Payable	\$ 1,614,458
Salaries and Benefits Payable	602,064
Unearned Revenue	232,353
Accrued Interest	202,537
Noncurrent Liabilities	
Due within one year	1,215,833
Due in more than one year	45,161,746
Total Liabilities	49,028,991
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	64,962
Total Deferred Inflows of Resources	64,962
NET POSITION	
Net Investment in Capital Assets	16,690,228
Restricted for:	
Law Enforcement	61,194
Courts Administration	551,251
Debt Service	1,043,165
Tourist related expenditures	694,142
E911 expenditures	755,386
Other purposes	3,069
Unrestricted	(9,451,526)
Total Net Position	10,346,909
Total Liabilities, Net Position, and Deferred Inflows of Resources	\$ 59,440,862

The notes to the financial statements are an integral part of this statement.

**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
					TOTAL GOVERNMENTAL ACTIVITIES
Governmental Activities					
County Council	\$ 252,936	\$ -	\$ -	\$ -	\$ (252,936)
County Attorney	123,795	-	-	-	(123,795)
Administrator	469,224	-	-	-	(469,224)
Administrative Services	1,194,741	240,023	-	-	(954,718)
Development Services	2,542,464	905,471	1,031,384	1,862,173	1,256,564
Emergency Services	9,271,317	1,242,621	86,939	-	(7,941,757)
Information Technology	707,467	-	-	-	(707,467)
Engineering Services	2,566,479	527,949	36,371	681,601	(1,320,558)
Treasurer	181,095	-	1,575	-	(179,520)
Auditor	197,023	-	1,575	-	(195,448)
Probate Judge	151,938	49,555	1,575	-	(100,808)
Clerk of Court	484,724	96,210	68,563	-	(319,951)
Sheriff	3,063,133	51,508	140,567	-	(2,871,058)
Magistrate	656,365	283,654	4,556	-	(368,155)
Veterans Affairs	84,009	-	-	-	(84,009)
Election Commission	286,443	-	50,734	-	(235,709)
Coroner	216,135	-	-	-	(216,135)
Interdepartmental	2,981,098	-	-	-	(2,981,098)
Health, Education and Welfare	1,373,727	-	5,160	-	(1,368,567)
Interest	920,388	-	-	-	(920,388)
Total Governmental Activities	<u>\$ 27,724,501</u>	<u>\$ 3,396,991</u>	<u>\$ 1,428,999</u>	<u>\$ 2,543,774</u>	<u>(20,354,737)</u>
General Revenues					
Property Taxes					18,238,642
Local Option Sales Taxes					3,258,966
Franchise Taxes					47,790
Accommodation and Hospitality Taxes					545,269
Grants and contributions not restricted to specific programs					1,047,710
Earnings on investments					3,570
Miscellaneous					318,782
Total General Revenues, Special Items and Transfers					<u>23,460,729</u>
Change in net position					3,105,992
Net position, beginning					7,240,917
Net position, ending					<u>\$ 10,346,909</u>

**JASPER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS						
Cash	\$ 11,020,043	\$ -	\$ 355,322	\$ -	\$ -	\$ 11,375,365
Receivables - net	2,914,126	72,256	-	1,007,278	38,695	4,032,355
Restricted Cash	563,068	1,018,164	-	-	1,496,104	3,077,336
Interfund Receivables	-	-	598,983	-	-	598,983
Property Held for Resale	-	-	1,846,726	-	-	1,846,726
Total Assets	<u>\$ 14,497,237</u>	<u>\$ 1,090,420</u>	<u>\$ 2,801,031</u>	<u>\$ 1,007,278</u>	<u>\$ 1,534,799</u>	<u>\$ 20,930,765</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 1,112,493	\$ -	\$ 147,897	\$ 321,243	\$ 32,825	\$ 1,614,458
Salaries and Benefits Payable	602,064	-	-	-	-	602,064
Unearned Revenue	-	-	224,830	7,523	-	232,353
Interfund Payables	-	-	-	598,983	-	598,983
Total Liabilities	<u>1,714,557</u>	<u>-</u>	<u>372,727</u>	<u>927,749</u>	<u>32,825</u>	<u>3,047,858</u>
Deferred Inflows of Resources						
Unavailable Revenues-Property Taxes	812,022	47,255	-	-	-	859,277
Total Deferred Inflows of Resources	<u>812,022</u>	<u>47,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>859,277</u>
Fund Balances						
Restricted	563,068	1,043,165	-	-	1,501,974	3,108,207
Committed	-	-	-	79,529	-	79,529
Assigned	1,400,000	-	2,428,304	-	-	3,828,304
Unassigned	10,007,590	-	-	-	-	10,007,590
Total Fund Balances	<u>11,970,658</u>	<u>1,043,165</u>	<u>2,428,304</u>	<u>79,529</u>	<u>1,501,974</u>	<u>17,023,630</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,497,237</u>	<u>\$ 1,090,420</u>	<u>\$ 2,801,031</u>	<u>\$ 1,007,278</u>	<u>\$ 1,534,799</u>	<u>\$ 20,930,765</u>

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The notes to the financial statements are an integral part of this statement.

JASPER COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total net position reported for governmental activities in the statement of net position is different because:

Total fund balances for governmental funds \$ 17,023,630

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and Improvements	\$ 4,905,822	
Construction in Progress	1,155,691	
Buildings and Improvements, net of \$6,389,252 accumulated depreciation	20,651,360	
Machinery and Equipment, net of \$3,686,321 accumulated depreciation	3,285,810	
Vehicles, net of \$4,104,372 accumulated depreciation	1,698,809	
Infrastructure, net of \$1,733,536 accumulated depreciation	<u>4,945,502</u>	
Total Capital Assets		36,642,994

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 859,277

Receivables under a leasing arrangement that will be received over a period of years that are not reported in the funds. 582,493

Deferred outflows and inflows of resources represents amounts applicable to future periods and, therefore are not reported in the funds.

Deferred outflows of resources:		
Related to pensions	1,712,592	
Deferred inflows of resources:		
Related to pensions	<u>(64,962)</u>	
Total deferred outflows and inflows of resources		1,647,630

Prepaid insurance costs that are amortized over a period of years that are reported as expenditures in the funds. 171,001

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

Balances at June 30, 2016 are:

Net Pension Liability	(17,260,955)	
Accrued Interest Payable	(202,537)	
Post Retirement Benefits Payable	(6,857,399)	
Bonds, Notes and Leases Payable	(21,385,259)	
Compensated Absences	<u>(873,966)</u>	
Total Long-Term Liabilities		<u>(46,580,116)</u>

Total net position of governmental activities \$ 10,346,909

The notes to the financial statements are an integral part of this statement.

JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES						
Taxes	\$ 18,045,987	\$ 1,408,440	\$ -	\$ -	\$ 449,418	\$ 19,903,845
Fines, Fees and Licenses	5,089,926	3,556	-	-	301,230	5,394,712
Intergovernmental	1,334,342	-	-	2,656,624	138,018	4,128,984
Miscellaneous	229,650	50	1,051,184	97,690	170	1,378,744
Total Revenues	<u>24,699,905</u>	<u>1,412,046</u>	<u>1,051,184</u>	<u>2,754,314</u>	<u>888,836</u>	<u>30,806,285</u>
EXPENDITURES						
Current:						
County Council	249,307	-	-	-	-	249,307
County Attorney	121,748	-	-	-	-	121,748
Administrator	470,195	-	-	-	-	470,195
Administrative Services	1,199,991	-	-	-	-	1,199,991
Development Services	1,005,870	-	1,243,218	-	218,477	2,467,565
Emergency Services	8,832,132	-	-	86,940	30,480	8,949,552
Information Technology	703,920	-	-	-	-	703,920
Engineering Services	2,083,803	-	-	253,619	9,810	2,347,232
Treasurer	181,218	-	-	-	-	181,218
Auditor	196,443	-	-	-	-	196,443
Probate Judge	150,659	-	-	-	-	150,659
Clerk of Court	479,603	-	-	-	-	479,603
Sheriff	2,787,291	-	-	-	153,685	2,940,976
Magistrate	658,429	-	-	-	-	658,429
Veterans Affairs	84,684	-	-	-	-	84,684
Election Commission	258,753	-	-	-	-	258,753
Coroner	216,135	-	-	-	-	216,135
Interdepartmental	1,391,010	-	-	-	-	1,391,010
Health, Education and Welfare	1,373,727	-	-	-	-	1,373,727
Debt Service:						
Principal	139,410	300,000	-	54,893	-	494,303
Interest	27,292	862,144	-	29,336	-	918,772
Capital Outlay:						
Development Services	7,642	-	18,052	2,416,313	-	2,442,007
Engineering Services	101,998	-	-	461,413	-	563,411
Sheriff	143,521	-	-	-	-	143,521
Emergency Services	790,757	-	-	936,618	158,758	1,886,133
Administrative Services	10,000	-	-	-	-	10,000
Total Expenditures	<u>23,665,538</u>	<u>1,162,144</u>	<u>1,261,270</u>	<u>4,239,132</u>	<u>571,210</u>	<u>30,899,294</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,034,367</u>	<u>249,902</u>	<u>(210,086)</u>	<u>(1,484,818)</u>	<u>317,626</u>	<u>(93,009)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	-	-	2,302,890	-	2,302,890
Transfers In	345,000	25,000	738,543	-	69,250	1,177,793
Transfers Out	(94,250)	-	(90,000)	(738,543)	(255,000)	(1,177,793)
Total Other Financing Sources (Uses)	<u>250,750</u>	<u>25,000</u>	<u>648,543</u>	<u>1,564,347</u>	<u>(185,750)</u>	<u>2,302,890</u>
Net change in fund balances	1,285,117	274,902	438,457	79,529	131,876	2,209,881
Fund balances, beginning	10,685,541	768,263	1,989,847	-	1,370,098	14,813,749
Fund balances, ending	<u>\$ 11,970,658</u>	<u>\$ 1,043,165</u>	<u>\$ 2,428,304</u>	<u>\$ 79,529</u>	<u>\$ 1,501,974</u>	<u>\$ 17,023,630</u>

The notes to the financial statements are an integral part of this statement.

**JASPER COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balances - total governmental funds	\$	2,209,881
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$5,045,072) was more than depreciation (\$1,339,006) in the current period.		3,706,066
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are as follows:

Repayment of Principal	\$ 494,303		
Issuance of Bonds	<u>(2,302,890)</u>		(1,808,587)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		24,208
--	--	--------

Governmental funds report pension contributions as expenditures. However in the statements of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	1,187,949		
Cost of benefits earned net of employee contributions	<u>(1,402,071)</u>		(214,122)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other Post Employment Benefits	(812,362)		
Compensated Absences	2,524		
Accrued Interest, Premiums, and Discounts	<u>(1,616)</u>		<u>(811,454)</u>

Total change in net position of governmental activities	\$	<u><u>3,105,992</u></u>
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**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016**

	Agency Funds
ASSETS	
Cash	\$ 16,334,405
Total Assets	<u>\$ 16,334,405</u>
LIABILITIES	
Due to Others	\$ 16,334,405
Total Liabilities	<u>\$ 16,334,405</u>

The notes to the financial statements are an integral part of this statement.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

Jasper County, South Carolina (the "County") is a political subdivision of the State of South Carolina, operating under the Council-Administrator form of government to provide services authorized by its charter. It is governed by an elected Board (the "Council"), which is governed by state statutes and regulations. In addition to the members of the Council, there are two elected Constitutional Officers: Treasurer and Auditor.

The accompanying financial statements present the combined financial positions and combined results of operations of the various fund types controlled by the Council and its Constitutional Officers.

The Council funds all of the operating budgets of the County's Constitutional Officers. The County Council acts as the governing body of the County with power to pass ordinances and adopt resolutions. The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The County is not reporting any component units as described above.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Jasper County reports only governmental activities, as there are no business-type activities or component units.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *economic development fund* accounts for the resources accumulated and payments made for economic development of the County.

The *capital projects fund* accounts for the resources accumulated and payments made for specific major capital projects.

The *debt service fund* accounts for the resources accumulated and payments made for debt payments.

Additionally, the government reports the following fund types:

The *agency fund* is used to account for resources held by the County in a trustee capacity for the Jasper County schools and for amounts held by other departments for others.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the presentation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. The County has no enterprise funds.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within the first 60 days of the end of the current fiscal period, except for grant reimbursements for which the availability period is 120 days. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and for acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. An annual budget for the special revenue fund is not adopted as sufficient budgetary control is achieved through restrictions included in the various grant agreements. An annual operating budget for the capital projects fund is not adopted as its revenues and expenditures are adopted on a project basis. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The government's departmental heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Council may make several supplemental budgetary appropriations throughout the year, however, there were no supplemental budgetary appropriations made in the general fund during the year.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services (i.e., purchase order, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at the end of the year, valid outstanding encumbrances (those for which performance under executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County is authorized by state statute to invest in the following:

Obligations of the United States, its agencies and instrumentalities;

Obligations of the State of South Carolina or any of its political subdivisions;

Savings and Loan Associations to the extent that the same are insured by an agency of the federal government;

Certificates of deposit and repurchase agreements provided the collateral is of the types described above and has a market value in excess of the certificate of deposit or repurchase agreement plus accrued interest, and is held by a third party as escrow agent or custodian;

Repurchase agreements when collateralized by securities of the type described above and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest;

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond debt issue of the County if the particular portfolio of the investment company or investment trust in which the investment is made (1) is limited to obligations described above and (2) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, values its assets by the amortized cost method.

A single central depository holds most operating cash. Each fund owns a pro-rata interest in the cash held by the depository. Interest income is allocated to the creditor funds based on average cash balances. Investments are stated at fair value.

Inventories

Inventories of the general fund consist of supplies held for consumption and are immaterial to the financial statements and accordingly are not recorded.

Capital Assets

Capital assets, which include property and equipment and infrastructure assets (e.g. roads, lighting, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as property and equipment with an initial, individual cost of more than \$5,000 and infrastructure assets with an initial, individual cost of more than \$100,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	20 to 50
Vehicles and Equipment	5 to 20

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The statement of net position reports deferred outflows of resources related to its net pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenue resulting from property taxes that arises under modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item unavailable revenue is reported in the governmental funds balance sheet. The statement of net position reports deferred inflows related to its net pension liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council has by resolution authorized the administrator to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Property Taxes

The County Ordinance provides for the taxation of all real and personal property located within the County limits on the first day of January. Motor vehicle taxes are billed and collected by the County Treasurer on a monthly basis. Other personal and real property taxes are levied by the County in October of each year and become due and payable immediately upon receipt by the taxpayer. Real property taxes are delinquent after January 15th with penalties assessed of 3% if paid after January 15th, 10% if paid after January 31st, and 15% if paid after March 15th. Assessed property is subject to lien one year from the levy date if taxes remain unpaid. The property tax rate approved by ordinance for fiscal year 2016 is 142 mills with an additional 12 mills for the County debt service fund.

Compensated Absences

Vacation - The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee's resignation or retirement. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave - Accumulated sick leave lapses when employees leave the employment of the County and, upon separation from service, no monetary obligation exists.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS AND INVESTMENTS

As of June 30, 2016, the County had the following cash and investments that are included in governmental funds of \$14,452,701 and the agency fund cash of \$16,334,405.

	<u>Maturity</u>	<u>Book Balance</u>	<u>Bank Balance</u>
<u>Investment</u>			
Repurchase Agreement			
* Pooled Cash Account	Daily	\$ 1,295,869	\$ 348,554
Certificates of Deposit	12 months or less	11,035,926	11,035,926
US Government Securities	Daily	436,599	436,599
 <u>Cash</u>			
Checking Accounts		18,018,312	18,067,164
Change Funds		400	-
Total Deposits and Investments		<u>\$ 30,787,106</u>	<u>\$ 29,888,243</u>

* Account is swept daily. \$120,000 is ordinarily left in account and excess is placed in government securities under a repurchase agreement. Balance of repurchase agreement at June 30, 2016 is \$348,554.

Credit Risk – The County does not have an investment policy but follows state guidelines for investments. The investments of the County include a repurchase agreement invested in government treasury obligations and construction funds invested in short-term government securities, which mature daily.

Interest Rate Risk – The County does not have an investment policy. Maturities on repurchase agreements are from 1 to 5 days. Maturities on certificate of deposits are 12 months or less. U.S. Government securities are highly liquid treasury notes.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 30, 2016, the bank balance was \$29,888,243. All of the County's deposits at year end were covered by federal depository insurance and or by collateral held in the pledging financial institution. Therefore, none of the County's deposits were exposed to custodial credit risk as of June 30, 2016.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 RECEIVABLES

Receivables at June 30, 2016, including the applicable allowances for uncollectible accounts, are as follows for the fund and government-wide financial statements.

<u>Receivables</u>	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes	\$ 4,319,624	\$ -	\$ 289,022	\$ -	\$ 4,608,646
Accounts	4,210,106	-	-	38,695	4,248,801
Other	1,679,505	1,007,278	-	-	2,686,783
Gross receivables	10,209,235	1,007,278	289,022	38,695	11,544,230
Allowance for doubtful accounts					
Taxes	(3,239,718)	-	-	-	(3,239,718)
Accounts	(4,055,391)	-	(216,766)	-	(4,272,157)
Net total receivables	<u>\$ 2,914,126</u>	<u>\$ 1,007,278</u>	<u>\$ 72,256</u>	<u>\$ 38,695</u>	<u>\$ 4,032,355</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the government funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements	\$ -	\$ 7,523
Special purpose drawdown not yet spent	-	224,830
Property taxes not collected within 60 Days	859,277	-
Total	<u>\$ 859,277</u>	<u>\$ 232,353</u>

Receivables

The County entered into an agreement with the Lowcountry Council of Governments (LCOG) to borrow \$900,000 on behalf of LCOG. LCOG leased their facilities to the County who in turn leased it back to LCOG for an amount equal to the payments on the bank loan. The balance of the lease at June 30, 2016 is \$582,493. The amortization of lease receivable is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 57,581	\$ 26,648	\$ 84,229
2018	60,400	23,829	84,229
2019	63,358	20,871	84,229
2020	66,460	17,769	84,229
2021	69,714	14,515	84,229
2022-2025	264,980	22,801	287,781
Total	<u>\$ 582,493</u>	<u>\$ 126,433</u>	<u>\$ 708,926</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 2,651,583	\$ 2,254,239	\$ -	\$ 4,905,822
Construction in progress	864,660	391,031	100,000	1,155,691
Total capital assets, not being depreciated	<u>3,516,243</u>	<u>2,645,270</u>	<u>100,000</u>	<u>6,061,513</u>
<i>Capital assets being depreciated</i>				
Buildings and improvements	26,917,171	123,441	-	27,040,612
Machinery and equipment	5,325,431	1,646,700	-	6,972,131
Vehicles	5,550,919	371,511	119,249	5,803,181
Infrastructure	6,320,888	358,150	-	6,679,038
Total capital assets being depreciated	<u>44,114,409</u>	<u>2,499,802</u>	<u>119,249</u>	<u>46,494,962</u>
Less accumulated depreciation for:				
Buildings and improvements	5,856,885	532,367	-	6,389,252
Machinery and equipment	3,295,730	390,591	-	3,686,321
Vehicles	3,965,975	257,646	119,249	4,104,372
Infrastructure	1,575,134	158,402	-	1,733,536
Total accumulated depreciation	<u>14,693,724</u>	<u>1,339,006</u>	<u>119,249</u>	<u>15,913,481</u>
Total capital assets being depreciated, net	<u>29,420,685</u>	<u>1,160,796</u>	<u>-</u>	<u>30,581,481</u>
Governmental activity capital assets, net	<u>\$ 32,936,928</u>	<u>\$ 3,806,066</u>	<u>\$ 100,000</u>	<u>\$ 36,642,994</u>

The County has construction commitments remaining of \$432,215 for the airport acquisition and the Cypress Ridge storm drain and roads that are included in construction in progress.

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities</u>	
Administrative Services	\$ 667
Development Services	72,756
Emergency Services	339,856
Engineering Services	221,170
Clerk of Court	1,241
Sheriff	113,208
Election Commission	26,504
Interdepartmental	563,604
Total depreciation expense - governmental activities	<u>\$ 1,339,006</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Economic Development	Capital Projects	\$ 598,983
		\$ 598,983

The \$598,983 due to the economic fund from the capital project fund represents shortfalls of cash in the capital project fund that occurred while waiting for grant reimbursements.

Interfund Transfers

Interfund balances must generally be eliminated in the government-wide financial statements, except for the net residual amounts due between governmental activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expense of the function from which the expenses are being allocated, so that expenses are reported only once – in the function in which they are allocated. No amounts were reported in the government-wide financial statements, as the amount did not involve transfers of financial resources.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund/Nonmajor E-911 Reimburse E-911 expenses	\$ 105,000	\$ 105,000
General Fund/Capital Projects Fund For grant matching of funds	738,543	738,543
General Fund/Economic Development Fund For payment on SC Economic Alliance	90,000	90,000
Nonmajor State A-Tax/General Fund	69,250	69,250
Local A-Tax funds to General Fund as budgeted	150,000	150,000
Debt Service fund to General Fund	25,000	25,000
Total Transfers In and Out	\$ 1,177,793	\$ 1,177,793

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2016.

Governmental Activities	June 30, 2015	Increases	Decreases	June 30, 2016	Due Within A Year
Bank loans	\$ 637,386	\$ 850,000	\$ 54,893	\$ 1,432,493	\$ 57,581
Capital leases	1,002,519	936,618	129,712	1,809,425	434,387
General obligation bond	4,611,277	516,272	9,698	5,117,851	83,865
Revenue Bonds	11,315,000	-	105,000	11,210,000	240,000
Revenue Bonds	2,255,000	-	195,000	2,060,000	100,000
Plus amount for bonds issued at a premium	95,021	-	12,242	82,779	-
Less amounts for bonds issued at a discount	(340,381)	-	(13,092)	(327,289)	-
Total	19,575,822	2,302,890	493,453	21,385,259	915,833
Net pension liability	15,403,531	2,888,222	1,030,798	17,260,955	-
Compensated absences	876,490	343,235	345,759	873,966	300,000
Other post employment benefits	6,045,037	1,136,015	323,653	6,857,399	-
Total	<u>\$ 41,900,880</u>	<u>\$ 6,670,362</u>	<u>\$ 2,193,663</u>	<u>\$ 46,377,579</u>	<u>\$ 1,215,833</u>

Long-term debt payable at June 30, 2016 is comprised of the following issues:

Bank Loans Payable	Balance
\$900,000 loan for Lowcountry Council of Governments facilities in a lease-lease back arrangement payable in 180 monthly installments of \$7,019 including interest at 4.79%.	\$ 582,493
\$850,000 loan from the South Carolina Public Service Authority for economic development with annual payments beginning in 2019, matures in 2025.	850,000
Total Bank Loans Payable	<u>\$ 1,432,493</u>

The annual requirements to amortize the debt at June 30, 2016 is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 57,581	\$ 26,648	\$ 84,229
2018	60,400	23,829	84,229
2019	184,847	20,871	84,229
2020	187,949	17,769	205,718
2021	191,203	14,515	205,718
2022-2025	750,513	22,801	205,718
Total	<u>\$ 1,432,493</u>	<u>\$ 126,433</u>	<u>\$ 869,841</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

General Obligation Bonds	Balance
\$4,500,000 General Obligation for retirement of a portion of the Bond Anticipation Notes which were used for construction of the Court House.	\$ 4,500,000
\$1,500,000 General Obligation Series 2015 with semi-annual interest payments at 2.99% interest and annual principal, matures in 10 years for the acquisition and construction of the Ridgeland Airport facility.	617,851
Total General Obligation Bonds	\$ 5,117,851

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 30,000	\$ 225,063	\$ 255,063
2018	30,000	222,963	252,963
2019	35,000	220,863	255,863
2020	35,000	218,413	253,413
2021	35,000	217,013	252,013
2022-2026	205,000	1,061,265	1,266,265
2027-2031	240,000	1,002,090	1,242,090
2032-2036	275,000	907,940	1,182,940
2037-2041	3,615,000	532,690	4,147,690
Total	\$ 4,500,000	\$ 4,608,300	\$ 9,108,300

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 53,865	\$ 18,074	\$ 71,939
2018	55,487	16,452	71,939
2019	57,159	14,780	71,939
2020	58,881	13,058	71,939
2021	60,654	11,284	71,938
2022-2026	331,805	27,890	359,695
Total	\$ 617,851	\$ 101,538	\$ 719,389

Revenue Bond	Balance
The County issued installment purchase revenue bonds Series 2011A in the amount of \$11,915,000 to pay off the Bond Anticipation notes which were used for construction of the County office building.	\$ 11,210,000
Total Revenue Bond	\$ 11,210,000

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to amortize the bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 240,000	\$ 556,194	\$ 796,194
2018	270,000	546,594	816,594
2019	280,000	535,794	815,794
2020	290,000	524,594	814,594
2021	300,000	512,994	812,994
2022-2026	1,740,000	2,364,057	4,104,057
2027-2031	2,230,000	1,897,875	4,127,875
2032-2036	2,945,000	1,263,150	4,208,150
2037-2041	490,000	729,223	1,219,223
2042-2044	2,425,000	234,149	2,659,149
Total	<u>\$ 11,210,000</u>	<u>\$ 9,164,624</u>	<u>\$ 20,374,624</u>

<u>Revenue Bond</u>	<u>Balance</u>
The County issued installment purchase revenue bonds Series 2014 in the amount of \$2,255,000. The proceeds were used to pay off equipment leases.	\$ 2,060,000
Total Revenue Bond	<u>\$ 2,060,000</u>

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 100,000	\$ 75,750	\$ 175,750
2018	60,000	73,750	133,750
2019	65,000	71,950	136,950
2020	65,000	70,000	135,000
2021	65,000	68,050	133,050
2022-2026	365,000	308,600	673,600
2027-2031	435,000	234,600	669,600
2032-2036	530,000	140,200	670,200
2037-2039	375,000	30,400	405,400
Total	<u>\$ 2,060,000</u>	<u>\$ 1,073,300</u>	<u>\$ 3,133,300</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Capital Leases	Balance
\$923,021 capital leases for purchase of John Deere heavy equipment costing \$1,238,021 with accumulated depreciation of \$121,824.	\$ 632,205
\$300,000 capital lease for purchases of 5 used fire tankers with annual payments of \$61,947 for five years including interest at 1.19%.	240,602
\$936,618 capital lease for purchase of radio equipment from Motorola with annual payments of \$330,422.91 for 3 years at an interest rate of 2.890%.	936,618
Total Capital Leases	\$ 1,809,425

The annual requirements to amortize the capital leases are as follows:

Fiscal Year Ending June 30,	Amount
2017	\$ 477,370
2018	953,370
2019	392,369
2020	61,946
Sub-total	1,885,055
Less amount representing interest	(75,630)
Total	\$ 1,809,425

Debt Service Fund

A Debt Service Fund has been established to collect millage for the payments on the bonds. At June 30, 2016 there was \$199,414 in debt service reserve accounts. Also, \$818,750 is on hand toward the interest and principal on the bonds. The current budget for 2016-2017 includes 12 mills for the payment of debt service.

Commitments Under Noncapitalized Leases

The County has operating leases on two garbage trucks. Lease payments are \$2,550 per month plus \$0.074 per mile on each truck.

Compensated Absences

Unused vacation leave liabilities are reported in the applicable governmental type activities columns in the government-wide financial statements. The County enacted a new policy regarding compensated vacation days in 1993. At that time, all unused vacation hours were "banked." Each employee is to receive appropriate vacation hours based on tenure at the beginning of the year. The only hours the employees will be allowed to carry over each calendar year are the "banked" hours until they are used up. No accumulation of paid days off will be allowed in the future. The County has no financial liability for its unused sick leave. Compensated absences are paid from the general fund. The accrued compensated absences at June 30, 2016 are \$873,966 and include 17% for employee benefits and are included in long-term liabilities.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Other Post Employment Benefits

Plan Description – County employees who participate in the County’s health insurance plan and who retire from County service in accordance with the South Carolina Retirement System may have their health insurance continued. The plan is a single-employer plan that covers the current and former employees, including beneficiaries, of only one employer.

Service Retirees and employees enrolled in the health plan on or before July 20, 2008, who (1) have participated in the County’s health insurance plan for ten (10) or more consecutive years; and (2) have met the retirement age; and (3) at the time of retirement are active County employees, will have their health insurance premiums paid by the County. Employees enrolled in the health plan on or after July 21, 2008, and enrolled in the South Carolina Retirement System, at the time of retirement must be employed for twenty-eight (28) years and meet the second and third criteria to qualify for paid health insurance premiums after retirement. Employees enrolled in the health plan on or after July 21, 2008, and enrolled in the Police Officers Retirement System at the time of retirement must be employed for twenty-five (25) years and meet the second and third criteria to qualify for paid health insurance premiums after retirement.

Funding policy – The contribution requirements of plan members and the County are established and may be amended by the County Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the County Council. For fiscal year ended June 30, 2016, the County contributed \$323,653 to the plan, including \$323,653 for current premiums while no prefunding contributions were made. The premiums are paid from the County general fund.

Annual OPEB Cost and Net OPEB Obligation - The County’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation:

Annual required contribution	\$ 1,015,114
Interest on net OPEB obligation	272,027
Adjustment to ARC	<u>(151,126)</u>
Annual OPEB cost (expense)	1,136,015
Contributions made	<u>(323,653)</u>
Increase in net OPEB obligation	812,362
Net OPEB obligation-beginning of year	<u>6,045,037</u>
Net OPEB obligation-end of year	<u><u>\$ 6,857,399</u></u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 and the three preceding years were as follows:

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 1,181,270	22.6%	\$ 5,216,955
2015	\$ 1,119,453	18.5%	\$ 6,045,037
2016	\$ 1,136,015	16.6%	\$ 6,857,399

Funded Status and Funding Progress - As of June 30, 2014, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$10,383,379 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,383,379.

The covered payroll (annual payroll of active employees covered by the plan) was \$9,789,418, and the ratio of the UAAL to the covered payroll was 0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The occurrences that must be considered include employee turnover, pay increases, disablement, retirement, deaths, and investment income on anticipated plan assets. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions-Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.5% initially, reduced by decrements to an ultimate rate of 4.5% after ten years. Both rates included a 3.0% inflation assumption. The actuarial value of assets is set equal to the reported market value of assets. The assets are allocated among the divisions based on liabilities value at 4.5%. The UAAL is being amortized on an open basis as a level percentage of projected payroll (assumed to increase at 3%) required to fully amortize the UAAL over a thirty year period.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2014	\$ -	\$ 10,314,324	\$ 10,314,324	0.0%	\$ 8,939,683	115.4%
6/30/2015	\$ -	\$ 10,383,379	\$ 10,383,379	0.0%	\$ 7,598,775	136.6%
6/30/2016	\$ -	\$ 10,383,379	\$ 10,383,379	0.0%	\$ 9,789,418	106.1%

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Pension Plan

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board (State Fiscal Accountability Authority effective July 1, 2015), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

In addition to the plans described above, PEBA also administers three single-employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA board may adopt and present to the Budget and Control Board for approval an increase in the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.90% of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one half of 1.00% per year.

Required employee contribution rates¹ for fiscal year 2015-2016 are as follows:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
SCRS		
Employee Class Two	8.16%	8.00%
Employee Class Three	8.16%	8.00%
PORS		
Employee Class Two	8.74%	8.41%
Employee Class Three	8.74%	8.41%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Required employer contribution rates¹ for fiscal year 2015-2016 are as follows:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
SCRS		
Employer Class Two	10.91%	10.75%
Employer Class Three	10.91%	10.75%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	13.34%	13.01%
Employer Class Three	13.34%	13.01%
Employer Accidental Death Program	0.20%	0.20%
Employer Incidental Death Benefit	0.20%	0.20%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the evaluation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015, is currently underway.

The June 30, 2015, total pension liability, net pension liability, and sensitivity information were determined by consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2014, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2014. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2015, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service) ¹	4.0% to 10.0% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

¹ includes inflation at 2.75%

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014, valuations for SCRS and PORS are as follows:

Former Job Class	Males	Females
Educators	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety and Firefighters	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2015, for SCRS and PORS are presented as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a % of the Total Pension Liability
SCRS	\$ 19,099,868	\$ 10,885,349	\$ 8,214,519	56.99%
PORS	25,532,289	16,485,853	9,046,436	64.57%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the System's notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans funding requirements.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the July 1, 2014 actuarial valuations, is based upon the 30 year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement Systems Investment Commission in collaboration with its investment consultant Aon Hewitt. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted by the Investment Commission for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50% assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes 4.75% real rate of return and a 2.75% inflation component.

Asset class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Short Term	5.0%		
Cash	2.0%	1.90%	0.04%
Short Duration	3.0%	2.00%	0.06%
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	2.70%	0.19%
Mixed Credit	6.0%	3.80%	0.23%
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	2.80%	0.08%
Emerging Markets Debt	6.0%	5.10%	0.31%
Global Public Equity	31.0%	7.10%	2.20%
Global Tactical Asset Allocation	10.0%	4.90%	0.49%
Alternatives	32.0%		
Hedge Funds (Low Beta)	8.0%	4.30%	0.34%
Private Debt	7.0%	9.90%	0.69%
Private Equity	9.0%	9.90%	0.89%
Real Estate (Broad Market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total Expected Real Return	100.0%		6.00%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			8.75%

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Sensitivity Analysis

The following table presents the collective net pension liability of the participating employers calculated using the discount rate of 7.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

<u>System</u>	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
SCRS	\$ 10,356,162	\$ 8,214,519	\$ 6,419,551
PORS	12,323,357	9,046,436	6,117,045

Pension Expense

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2015, are presented below:

<u>Description</u>	<u>SCRS</u>	<u>PORS</u>
Service cost (annual cost of current service)	\$ 322,334	\$ 639,632
Interest on the total pension liability	1,363,532	1,806,917
Changes in plan benefits	-	-
Plan administrative costs	5,438	8,044
Plan member contributions	(310,167)	(443,518)
Expected return on plan assets	(820,178)	(1,229,368)
Recognition of current year amortization - Difference between expected and actual experience	60,715	60,852
Recognition of current year amortization - Difference between projected and actual investment earnings	(25,547)	(32,719)
Other	576	(4,403)
Total	<u>\$ 596,703</u>	<u>\$ 805,437</u>

Additional items included in Total Employer Pension Expense in the Schedules of Pension Amounts by Employer are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of total plan employer contributions. These two deferrals are specific to cost-sharing multiple-employer defined benefit pension plans as discussed in paragraphs 54 and 55 of GASB 68.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Deferred Outflows of Resources and Deferred Inflows of Resources

The following schedule reflects the amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding as of June 30, 2015.

	<u>Difference between expected and actual experience</u>			
	SCRS		PORS	
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Initial Balance	\$ 274,552	\$ (19,333)	\$ 268,958	\$ 28,104
Amortization period¹	4.233	4.164	4.856	4.796
Amortized² period ending June 30,				
2014	\$ (64,860)	-	\$ (55,387)	-
2015	(64,860)	\$ 4,643	(55,387)	\$ (5,860)
2016	(64,860)	4,643	(55,387)	(5,860)
2017	(64,860)	4,643	(55,387)	(5,860)
2018	(15,112)	4,643	(47,410)	(5,860)
2019	-	761	-	(4,664)

	<u>Difference between projected and actual investment earnings</u>			
	SCRS		PORS	
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Initial Balance	\$ (779,869)	\$ 658,122	\$ (1,157,545)	\$ 985,700
Amortization period³	5	5	5	5
Amortized² period ending June 30,				
2014	\$ 155,974	-	\$ 231,509	-
2015	155,974	\$ (131,624)	231,509	\$ (197,140)
2016	155,974	(131,624)	231,509	(197,140)
2017	155,974	(131,624)	231,509	(197,140)
2018	155,973	(131,624)	231,509	(197,140)
2019	-	(131,626)	-	(197,140)

¹In accordance with GASB 68, paragraph 71a, the difference between each year's expected and actual experience is required to be amortized over the average remaining service lives of all employees provided with pensions through the plan at June 30.

²Amount amortized and included in pension expense during the measurement period listed.

³In accordance with GASB 68, paragraph 71b, the difference between each year's projected and actual investment earnings is required to be amortized over a closed, 5 year period.

As discussed in paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed in Pension Expense.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Employer Contributions

Employers' proportionate shares were calculated on the basis of employer contributions actually remitted to the plan for the fiscal year ended June 30, 2015. Employer contributions recognized by the Systems that are not representative of future contribution effort are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution effort are contributions toward the purchase of employee service purchases and employer contributions paid by employees.

The following table provides a reconciliation of employer contributions in the plans' Statement of Changes in Fiduciary Net Position (per the Systems' separately issued financial statements) to the employer contributions used in the determination of employers' proportionate shares of collective pension amounts reported in the Schedules of Employer Allocations.

	SCRS	PORS
Employer Contributions Reported in SCRS Statement of Changes in Net Position for the fiscal year ended June 30, 2015	\$ 441,253	\$ 688,682
Deduct: Employer Contributions Not Representative of Future Contribution Effort	(204)	(1,325)
Employer Contributions Used as the Basis for Allocating Employers' Proportionate Shares of Collective Pension Amounts - June 30, 2015 Measurement Date	\$ 441,049	\$ 687,357

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2015, and the accounting and financial reporting actuarial valuation as of June 30, 2015. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7 FUND BALANCES

	<u>General Fund</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Non - Major</u>
Restricted					
Courts Administration	\$ 551,251	\$ -	\$ -	\$ -	\$ -
Sheriff funds	11,817	-	-	-	49,377
E-911 funds	-	-	-	-	755,386
Accom/Hospitality Tax	-	-	-	-	694,142
Waste Tire	-	-	-	-	3,069
Debt Payments	-	-	-	1,043,165	-
Total Restricted	<u>563,068</u>	<u>-</u>	<u>-</u>	<u>1,043,165</u>	<u>1,501,974</u>
Committed	<u>-</u>	<u>-</u>	<u>79,529</u>	<u>-</u>	<u>-</u>
Assigned					
2016 Budget	1,400,000	1,846,726	-	-	-
Development Projects	-	551,363	-	-	-
Joint Planning Fund	-	30,215	-	-	-
Total Assigned	<u>1,400,000</u>	<u>2,428,304</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>10,007,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,970,658</u>	<u>\$ 2,428,304</u>	<u>\$ 79,529</u>	<u>\$ 1,043,165</u>	<u>\$ 1,501,974</u>

NOTE 8 EMPLOYEE BENEFIT PLANS

401(K) Plan

Jasper County currently offers all full-time employees the option of participating in a 401(K) plan. The South Carolina Retirement System administers the plan. Under the terms of the plan employees may contribute a minimum of two percent and a maximum of twenty percent of adjusted gross income subject to the limits of Section 401(K) of the Internal Revenue Code. It is the opinion of the County's legal counsel that the government has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Therefore, the assets and liabilities of the 401(K) plan are not reflected in the County's financial statements.

NOTE 9 LANDFILL

The County-owned landfill has not accepted solid waste for many years and has no liability for post closure costs. All amounts included in these statements for landfill cost are related to costs of disposing of solid waste at an independent landfill.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The County has several lawsuits against it. Most of this litigation is covered by insurance or settled through subsequent agreements.

The County is a member of the South Carolina Counties Workers' Compensation Trust which is a group that provides workers' compensation self-insurance. Under the terms of the agreement, the members of the trust must pay all of the costs pertaining to claims and administration. Amounts are reflected in workers compensation expenditures.

Pursuant to Section 4-1-175 and 4-29-68 of the South Carolina Code of Laws, the County entered into an agreement with a developer whereby the County issued a \$7,000,000 bond in 2001 and a \$6,000,000 bond in 2003 to further economic development within the County. The County Treasurer pays the developer 40% of the fee-in-lieu tax received from the businesses in the park. The County has no financial liability beyond this amount. At June 30, 2016, \$5,925,000 and \$4,950,000 were outstanding.

The Jasper County, South Carolina Special Source Revenue Bond Notes, Series 2005 (Jasper County School Project) special source revenue bonds in the amount of \$11,540,000 were issued to help with the construction of Jasper County Schools. The bonds are to be repaid with the school portion of a fee-in-lieu tax. The County has no liability for repayment of the debt. At June 30, 2016, \$1,990,000 was outstanding.

NOTE 11 RISK MANAGEMENT

The County is exposed to various types of risk of loss and maintains elements of both self-insurance and purchased insurance policies divided into coverage of worker's compensation, property and casualty, and employee health insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. There have not been any reductions in insurance coverage from the prior year. The amounts of settlements have not exceeded coverage in each of the past three fiscal years. The County has recorded insurance premium expenditures in the applicable functional expenditure categories of the General Fund. These expenditures do not include estimated claim losses and estimable premium adjustments. In management's opinion, supplemental premium assessments, if any, would not be significant enough to have a material adverse effect on the financial position of the County. The State of South Carolina assumes substantially all risks for the following:

Property and casualty insurance on buildings, equipment, and vehicles owned by the County as well as tort liability on County employees (South Carolina Insurance Reserve Fund).

The County participates in the South Carolina Municipal Association Workers' Compensation Pool, a public entity risk pool for its Workers Compensation coverage. Pool members are subject to a supplemental assessment in the event of deficiencies.

The County was affected by Hurricane Matthew in October 2016 and experienced budget overages estimated to be \$350,000 in overtime and repairs and maintenance. The County anticipates a reimbursement of 75% of these overages to be forthcoming from FEMA.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 12 PROPERTY HELD FOR RESALE

The detail on property held for resale is as follows:

	June 30, 2015	Additions	Cost of Land Sold	June 30, 2016
Cypress Ridge Land	\$ 670,640	\$ -	\$ -	\$ 670,640
Ridgeland Industrial Park	40,240	-	-	40,240
Sergeant Jasper Park	69,300	-	-	69,300
Cypress Ridge Spec Bldg 1	320,000	-	-	320,000
Cypress Ridge Spec Bldg 3	-	746,546	-	746,546
Total	<u>\$ 1,100,180</u>	<u>\$ 746,546</u>	<u>\$ -</u>	<u>\$ 1,846,726</u>

The County has construction commitments of \$807,810 remaining on the Cypress Ridge Spec Bldg 3 at June 30, 2016.

NOTE 13 NET INVESTMENT IN CAPITAL ASSETS

The computation of invested in capital assets, net of related debt is as follows:

Capital Assets	\$ 36,642,994
Debt on Capital Assets:	
Revenue Bonds	(13,270,000)
General Obligation Bonds	(5,117,851)
Capital Leases	(1,809,425)
Premium on Bonds Payable	(82,779)
Discount on Bonds Payable	327,289
Net Investment in Capital Assets	<u>\$ 16,690,228</u>

The long-term debt includes \$582,493 in bank loans payable that offsets the lease receivable from LCOG and includes \$850,000 for an economic development loan that is included in property held for resale. Neither loan is included in debt on capital assets.

REQUIRED SUPPLEMENTARY INFORMATION

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 16,816,281	\$ 16,816,281	\$ 18,045,987	\$ 1,229,706
Fines, Fees and Licenses	4,482,800	4,482,800	5,089,926	607,126
Intergovernmental	1,194,425	1,194,425	1,334,342	139,917
Miscellaneous	250,665	250,665	229,650	(21,015)
Total Revenues	22,744,171	22,744,171	24,699,905	1,955,734
EXPENDITURES				
Current:				
County Council				
	262,650	262,650	249,307	13,343
County Attorney				
	165,900	165,900	121,748	44,152
Administrator				
	441,250	441,250	470,195	(28,945)
Administrative Services				
Tax Collector	191,990	191,990	178,847	13,143
Assessor	505,200	505,200	511,223	(6,023)
Finance Department	173,950	173,950	180,130	(6,180)
Register of Deeds	147,600	147,600	137,098	10,502
Keep America Beautiful	2,000	2,000	-	2,000
Human Resources	226,020	226,020	192,693	33,327
Total Administrative Services	1,246,760	1,246,760	1,199,991	46,769
Development Services				
Economic Development Department	132,100	132,100	112,176	19,924
Business Licenses	65,705	65,705	66,657	(952)
Planning Commission	200,270	200,270	147,906	52,364
Recreation Department	341,180	341,180	336,256	4,924
Sgt Jasper Park	196,800	196,800	208,339	(11,539)
Building Permits	137,100	137,100	134,536	2,564
Total Development Services	1,073,155	1,073,155	1,005,870	67,285
Emergency Services				
Emergency Telecommunications	936,800	936,800	926,345	10,455
Levy Fire Contract	255,000	255,000	231,366	23,634
Fire and Rescue	2,912,400	2,912,400	3,231,655	(319,255)
Emergency Services Department	1,240,050	1,240,050	1,230,473	9,577
Detention Center	2,847,985	2,847,985	2,994,904	(146,919)
Cherry Point Fire Station	455,250	455,250	217,389	237,861
Total Emergency Services	8,647,485	8,647,485	8,832,132	(184,647)
Information Technology				
	604,090	604,090	703,920	(99,830)

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Engineering Services				
Administrative	\$ 242,050	\$ 242,050	\$ 233,134	\$ 8,916
Central Garage	177,500	177,500	146,281	31,219
Mosquito Control	17,200	17,200	15,132	2,068
Litter Control	65,700	65,700	62,638	3,062
Roads and Bridges	526,000	526,000	532,451	(6,451)
Building Maintenance	328,400	328,400	310,527	17,873
Solid Waste	870,500	870,500	783,640	86,860
Total Engineering Services	<u>2,227,350</u>	<u>2,227,350</u>	<u>2,083,803</u>	<u>143,547</u>
Treasurer	<u>163,400</u>	<u>163,400</u>	<u>181,218</u>	<u>(17,818)</u>
Auditor	<u>197,750</u>	<u>197,750</u>	<u>196,443</u>	<u>1,307</u>
Probate Judge	<u>153,900</u>	<u>153,900</u>	<u>150,659</u>	<u>3,241</u>
Clerk of Court				
Clerk of Court	506,750	506,750	452,159	54,591
Clerk of Court Incentive	-	-	27,444	(27,444)
Total Clerk of Court	<u>506,750</u>	<u>506,750</u>	<u>479,603</u>	<u>27,147</u>
Sheriff				
Sheriff	2,716,350	2,716,350	2,732,614	(16,264)
Victims Witness Program	70,710	70,710	54,677	16,033
Total Sheriff	<u>2,787,060</u>	<u>2,787,060</u>	<u>2,787,291</u>	<u>(231)</u>
Magistrate				
Central Traffic	151,450	151,450	148,162	3,288
Magistrate Lynah	110,830	110,830	114,189	(3,359)
Hardeeville	144,500	144,500	138,671	5,829
Central Bond	103,945	103,945	104,970	(1,025)
Magistrate McDonald	109,250	109,250	110,009	(759)
Magistrate Badgett	40,480	40,480	42,428	(1,948)
Total Magistrate	<u>660,455</u>	<u>660,455</u>	<u>658,429</u>	<u>2,026</u>
Veterans Affairs	<u>100,950</u>	<u>100,950</u>	<u>84,684</u>	<u>16,266</u>
Election Commission	<u>263,700</u>	<u>263,700</u>	<u>258,753</u>	<u>4,947</u>
Coroner	<u>131,580</u>	<u>131,580</u>	<u>216,135</u>	<u>(84,555)</u>
Interdepartmental				
Interdepartmental	1,246,200	1,246,200	783,141	463,059
Data Processing	379,500	379,500	340,711	38,789
Capital Improvements	464,000	464,000	267,158	196,842
Total Interdepartmental	<u>2,089,700</u>	<u>2,089,700</u>	<u>1,391,010</u>	<u>698,690</u>

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Health, Education and Welfare				
Agency Appropriations	\$ 1,123,251	\$ 1,123,251	\$ 1,160,864	\$ (37,613)
County Libraries	26,760	26,760	21,657	5,103
Health Department	28,000	28,000	36,367	(8,367)
Department of Social Services	45,725	45,725	34,962	10,763
Miscellaneous County Accounts	39,950	39,950	111,067	(71,117)
Hardeeville Annex	8,000	8,000	1,356	6,644
Farmers Market	7,600	7,600	7,454	146
Total Health, Education and Welfare	<u>1,279,286</u>	<u>1,279,286</u>	<u>1,373,727</u>	<u>(94,441)</u>
Debt Service				
Principal	331,000	331,000	139,410	191,590
Interest	-	-	27,292	(27,292)
Total Debt Service	<u>331,000</u>	<u>331,000</u>	<u>166,702</u>	<u>164,298</u>
Capital Outlay				
Development Services	-	-	7,642	(7,642)
Engineering Services	35,000	35,000	101,998	(66,998)
Sheriff Department	120,000	120,000	143,521	(23,521)
Emergency Services	720,000	720,000	790,757	(70,757)
Administrative Services	-	-	10,000	(10,000)
Total Capital Outlay	<u>875,000</u>	<u>875,000</u>	<u>1,053,918</u>	<u>(178,918)</u>
Total Expenditures	<u>24,209,171</u>	<u>24,209,171</u>	<u>23,665,538</u>	<u>543,633</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,465,000)</u>	<u>(1,465,000)</u>	<u>1,034,367</u>	<u>2,499,367</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	385,000	385,000	345,000	(40,000)
Transfers Out	<u>(120,000)</u>	<u>(120,000)</u>	<u>(94,250)</u>	<u>25,750</u>
Total Other Financing Sources (Uses)	<u>265,000</u>	<u>265,000</u>	<u>250,750</u>	<u>(14,250)</u>
Net change in fund balances	(1,200,000)	(1,200,000)	1,285,117	2,485,117
Fund balances, beginning	<u>10,685,541</u>	<u>10,685,541</u>	<u>10,685,541</u>	<u>-</u>
Fund balances, ending	<u>\$ 9,485,541</u>	<u>\$ 9,485,541</u>	<u>\$ 11,970,658</u>	<u>\$ 2,485,117</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

The basis of budgeting is the same as generally accepted accounting principles. The County adopts annual budgets for the General Fund using the modified accrual basis. An annual budget for the Special Revenue Fund is not adopted as sufficient budgetary control is achieved through restrictions included in the various grant agreements. An annual operating budget for the Capital Projects Fund is not adopted as its revenues and expenditures are adopted on a project basis. Appropriations lapse at the end of the budget year.

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE PENSION PLAN
LAST TEN FISCAL YEARS

	SCRS - FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	0.042983%	0.043313%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	\$ 7,400,248	\$ 8,214,519
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	\$ 4,046,332	\$ 3,943,462
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	182.89%	208.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	59.90%	56.99%

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	PORS - FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	0.41805%	0.41507%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	\$ 8,003,283	\$ 9,046,436
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	\$ 5,125,706	\$ 5,411,101
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	156.14%	167.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	67.50%	64.57%

NA - not available

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF CONTRIBUTIONS
STATE PENSION PLAN
LAST TEN FISCAL YEARS**

SCRS - FISCAL YEAR

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	\$ 441,049	\$ 436,147
Contributions in Relation to the										
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	441,049	436,147
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	\$ 4,046,332	\$ 3,943,462
Contributions as a Percentage of										
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	10.90%	11.06%

PORS - FISCAL YEAR

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	\$ 687,357	\$ 743,485
Contributions in Relation to the										
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	687,357	743,485
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	\$ 5,125,706	\$ 5,411,101
Contributions as a Percentage of										
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	13.41%	13.74%

NA - not available

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Accommodations Tax Fund This fund is used to account for the County's share of accommodation taxes that are legally restricted for expenditures that promote parks, recreation and tourism within the County.

Waste Tire Fund This fund is used to account for the revenues received from the state for the removal of waste tires.

Sheriff Fund This fund is used to account for the funds the sheriff derives from search and seizure.

E911 Fund This fund is used to account for the telecommunications carrier fees that are restricted for expenditures related to emergency dispatch services.

**JASPER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>SPECIAL REVENUE</u>				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	<u>ACCOM TAX</u>	<u>WASTE TIRE</u>	<u>SHERIFF</u>	<u>E911</u>	
ASSETS					
Receivables - net	\$ -	\$ 3,069	\$ -	\$ 35,626	\$ 38,695
Restricted Cash	697,230	-	49,377	749,497	1,496,104
Total Assets	<u>\$ 697,230</u>	<u>\$ 3,069</u>	<u>\$ 49,377</u>	<u>\$ 785,123</u>	<u>\$ 1,534,799</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 3,088	\$ -	\$ -	\$ 29,737	\$ 32,825
Total Liabilities	<u>3,088</u>	<u>-</u>	<u>-</u>	<u>29,737</u>	<u>32,825</u>
Fund Balances					
Restricted	694,142	3,069	49,377	755,386	1,501,974
Total Fund Balances	<u>694,142</u>	<u>3,069</u>	<u>49,377</u>	<u>755,386</u>	<u>1,501,974</u>
Total Liabilities and Fund Balances	<u>\$ 697,230</u>	<u>\$ 3,069</u>	<u>\$ 49,377</u>	<u>\$ 785,123</u>	<u>\$ 1,534,799</u>

**JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	SPECIAL REVENUE				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	
REVENUES					
Taxes	\$ 449,418	\$ -	\$ -	\$ -	\$ 449,418
Fines, Fees and Licenses	-	-	-	301,230	301,230
Intergovernmental	-	10,460	127,558	-	138,018
Miscellaneous	170	-	-	-	170
Total Revenue	449,588	10,460	127,558	301,230	888,836
EXPENDITURES					
Current:					
Development Services	218,477	-	-	-	218,477
Emergency Services	-	-	-	30,480	30,480
Engineering Services	-	9,810	-	-	9,810
Sheriff	-	-	153,685	-	153,685
Capital Outlay:					
Emergency Services	-	-	-	158,758	158,758
	218,477	9,810	153,685	189,238	571,210
Excess (deficiency) of revenues over (under) expenditures	231,111	650	(26,127)	111,992	317,626
OTHER FINANCING SOURCES (USES)					
Transfers In	69,250	-	-	-	69,250
Transfers Out	(150,000)	-	-	(105,000)	(255,000)
Total Other Financing Sources (Uses)	(80,750)	-	-	(105,000)	(185,750)
Net change in fund balances	150,361	650	(26,127)	6,992	131,876
Fund balances, beginning	543,781	2,419	75,504	748,394	1,370,098
Fund balances, ending	\$ 694,142	\$ 3,069	\$ 49,377	\$ 755,386	\$ 1,501,974

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUNDS

Agency Funds

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

School	This fund is used to account for receipts by the treasurer of assets earmarked for the school district.
Clerk of Court	This fund is used to account for child support payments, bonds, restitution and fines collected by the clerk of court.
Delinquent Tax Collector	This fund represents delinquent taxes collected for the school district and funds on hand from the tax sale.
1% Fire Fund	This fund represents the receipts by the treasurer that will be disbursed to the various fire departments within the County.
Nickel Plate Road Dev	This fund represents the 40% of taxes to be paid to the developer and Hampton County.
Treasurers Tax Account	This fund represents the portion of the tax account designated for other entities.
Town of Ridgeland	This fund represents the taxes due to the Town of Ridgeland.
City of Hardeeville	This fund represents the taxes due to the City of Hardeeville.
Magistrates Court	This fund represents fines collected that have not been disposed of by the court.
Register of Deeds	This fund represents the portion of the fee to be paid to the state.
Forfeit Land Commission	This fund represents taxes collected on forfeited property to be apportioned.
Installment Tax Account	This fund represents taxes collected over a period of installments to be apportioned.
Settings Trust Fund	This fund represents insurance proceeds over a developmental agreement settlement.
Fire Rescue Auxiliary	This fund represents donations held on behalf of the fire and rescue auxiliary.

JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
School				
Asset - Cash	\$ 8,918,542	\$ 54,233,434	\$ 52,747,934	\$ 10,404,042
Liabilities - Due to Others	\$ 8,918,542	\$ 54,233,434	\$ 52,747,934	\$ 10,404,042
Clerk of Court				
Asset - Cash	\$ 871,832	\$ 3,495,145	\$ 3,448,846	\$ 918,131
Liabilities - Due to Others	\$ 871,832	\$ 3,495,145	\$ 3,448,846	\$ 918,131
Delinquent Tax Collector				
Asset - Cash	\$ 1,002,697	\$ 4,235,938	\$ 4,289,295	\$ 949,340
Liabilities - Due to Others	\$ 1,002,697	\$ 4,235,938	\$ 4,289,295	\$ 949,340
1% Fire Fund				
Asset - Cash	\$ 564	\$ 66,499	\$ 66,499	\$ 564
Liabilities - Due to Others	\$ 564	\$ 66,499	\$ 66,499	\$ 564
Nickle Plate Road Dev				
Asset - Cash	\$ 212,929	\$ 774,073	\$ 761,566	\$ 225,436
Liabilities - Due to Others	\$ 212,929	\$ 774,073	\$ 761,566	\$ 225,436
Treasurers Tax Account				
Asset - Cash	\$ 51,100	\$ 37,088	\$ 7,769	\$ 80,419
Liabilities - Due to Others	\$ 51,100	\$ 37,088	\$ 7,769	\$ 80,419
Town of Ridgeland				
Asset - Cash	\$ 6,659	\$ 560,186	\$ 539,195	\$ 27,650
Liabilities - Due to Others	\$ 6,659	\$ 560,186	\$ 539,195	\$ 27,650
City of Hardeeville				
Asset - Cash	\$ 4,460	\$ 4,860,116	\$ 4,796,297	\$ 68,279
Liabilities - Due to Others	\$ 4,460	\$ 4,860,116	\$ 4,796,297	\$ 68,279
Magistrates Court				
Asset - Cash	\$ 47,829	\$ 158,560	\$ 154,961	\$ 51,428
Liabilities - Due to Others	\$ 47,829	\$ 158,560	\$ 154,961	\$ 51,428
Register of Deeds				
Asset - Cash	\$ 46,998	\$ 438,417	\$ 464,258	\$ 21,157
Liabilities - Due to Others	\$ 46,998	\$ 438,417	\$ 464,258	\$ 21,157
Forfeit Land Commission				
Asset - Cash	\$ 8,948	\$ 54,187	\$ 28,427	\$ 34,708
Liabilities - Due to Others	\$ 8,948	\$ 54,187	\$ 28,427	\$ 34,708
Installment Tax Account				
Asset - Cash	\$ 91,455	\$ 140,854	\$ 128,486	\$ 103,823
Liabilities - Due to Others	\$ 91,455	\$ 140,854	\$ 128,486	\$ 103,823
Setting Trust Account				
Asset - Cash	\$ 4,096,097	\$ 4,745	\$ 651,561	\$ 3,449,281
Liabilities - Due to Others	\$ 4,096,097	\$ 4,745	\$ 651,561	\$ 3,449,281
Fire Rescue Auxiliary				
Asset - Cash	\$ 0	\$ 147	\$ -	\$ 147
Liabilities - Due to Others	\$ 0	\$ 147	\$ -	\$ 147
Total Assets - Cash	\$ 15,360,110	\$ 69,059,389	\$ 68,085,094	\$ 16,334,405
Total Liabilities - Due to Others	\$ 15,360,110	\$ 69,059,389	\$ 68,085,094	\$ 16,334,405

The notes to the financial statements are an integral part of this statement.

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
FOR YEAR ENDED JUNE 30, 2016**

COURT FINES

Court Fines Collected	\$	292,233
Court Fines Retained by County		(292,233)
		-
Court Fines Remitted to the State Treasurer		-

COURT ASSESSMENTS

Court Assessments Collected		454,246
Court Assessments Retained by County		(97,774)
		356,472
Court Assessments Remitted to State Treasurer		356,472

COURT SURCHARGES

Court Surcharges Collected		192,305
Court Surcharges Retained by County		-
		-
Court Surcharges Remitted to the State Treasurer		192,305

VICTIMS ASSISTANCE

Court Assessments Allocated to Victims Assistance		31,408
Court Surcharges Allocated to Victims Assistance		15,457
		46,865
Funds Allocated to Victims Assistance		46,865
Victim Services Expenditures		(40,000)
Funds available for carryforward		6,865
Beginning Balance		-
Ending Balance	\$	6,865

The cost of the court fines audit was \$1,000.

STATISTICAL SECTION

JASPER COUNTY, SOUTH CAROLINA

STATISTICAL SECTION

This part of the Jasper County, South Carolina comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosure, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	68-71
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	72-74
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	75-80
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help comparisons over time and with other governments.	81-82
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	83-85

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**JASPER COUNTY, SOUTH CAROLINA
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS**

Schedule 1

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 *	2016
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 18,575,683	\$ 19,517,800	\$ 19,162,304	\$ 17,091,293	\$ 14,002,982	\$ 12,827,924	\$ 13,182,845	\$ 12,769,520	\$ 13,998,492	\$ 16,690,228
Restricted	-	685,741	3,944,537	4,205,198	4,539,212	1,750,065	1,883,628	2,332,105	2,135,942	3,108,207
Unrestricted (Deficit)	11,890,660	9,336,633	935,975	1,019,459	2,321,926	7,218,705	5,782,359	6,010,816	(8,893,517)	(9,451,526)
Total Governmental Activities Net Position	<u>\$ 30,466,343</u>	<u>\$ 29,540,174</u>	<u>\$ 24,042,816</u>	<u>\$ 22,315,950</u>	<u>\$ 20,864,120</u>	<u>\$ 21,796,694</u>	<u>\$ 20,848,832</u>	<u>\$ 21,112,441</u>	<u>\$ 7,240,917</u>	<u>\$ 10,346,909</u>

* County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Source: County Audit Reports

JASPER COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Schedule 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
County Council	\$ 134,382	\$ 186,952	\$ 222,077	\$ 207,604	\$ 208,343	\$ 234,265	\$ 221,822	\$ 254,207	\$ 247,869	\$ 252,936
County Attorney	-	-	160,460	158,494	152,084	158,007	159,124	153,760	180,703	123,795
Administrator	339,998	459,140	368,859	410,059	409,656	467,475	492,938	417,323	475,399	469,224
Administrative Services	1,001,209	1,363,203	1,527,501	1,280,754	1,202,744	1,106,474	1,051,409	1,073,387	1,183,860	1,194,741
Development Services	1,762,212	1,994,679	1,804,506	1,959,726	1,618,401	1,566,414	2,344,972	1,694,855	1,977,275	2,542,464
Emergency Services	8,084,096	9,575,753	11,462,011	10,160,230	8,932,496	8,705,536	8,669,016	8,955,251	9,089,407	9,271,317
Information Technology	-	-	-	-	-	-	513,785	515,238	597,297	707,467
Engineering Services	2,615,436	2,650,295	3,036,955	2,418,172	2,350,468	3,037,772	2,985,205	3,021,142	3,033,537	2,566,479
Treasurer	114,184	158,188	155,341	137,095	141,852	145,052	138,367	165,829	177,494	181,095
Auditor	154,042	225,344	246,090	195,511	182,117	180,416	194,914	172,498	188,562	197,023
Probate Judge	166,147	182,278	179,219	128,959	144,576	134,651	161,568	149,696	155,556	151,938
Clerk of Court	461,035	470,086	518,406	465,361	467,179	492,783	501,636	549,871	542,034	484,724
Sheriff	2,661,891	2,929,037	3,224,882	3,053,203	3,075,109	3,313,855	3,137,831	2,739,914	3,010,819	3,063,133
Magistrate	449,539	453,478	546,465	571,238	537,170	601,129	603,207	598,242	658,900	656,365
Veterans Affairs	107,730	111,421	99,590	108,363	113,967	113,401	117,868	105,951	85,452	84,009
Election Commission	183,191	238,603	236,943	218,932	172,179	229,723	189,724	237,012	211,264	226,443
Coroner	86,037	102,863	112,996	118,522	116,246	153,135	122,938	133,309	145,566	216,135
Interdepartmental	1,323,023	1,396,108	2,270,060	2,458,932	2,523,716	2,473,011	2,764,471	2,622,246	2,711,506	2,981,098
Health, Education, and Welfare	1,524,959	1,566,812	1,587,493	1,182,128	1,230,667	1,122,440	1,094,773	1,242,661	1,253,636	1,373,727
Interest Expense	142,168	143,638	132,747	329,636	335,501	766,858	850,242	957,203	916,856	920,388
Total Expenses	<u>21,311,279</u>	<u>24,207,878</u>	<u>27,892,601</u>	<u>25,562,919</u>	<u>23,914,471</u>	<u>25,002,397</u>	<u>26,315,810</u>	<u>25,759,595</u>	<u>26,842,992</u>	<u>27,724,501</u>
Revenues										
Governmental Activities:										
Program Revenues										
Charges for Services:	3,165,475									
Emergency Services Fees		680,157	722,390	1,089,184	973,303	964,665	952,994	1,169,567	1,299,304	1,242,621
Fines		582,516	522,713	676,356	617,023	554,554	444,629	389,434	451,735	480,927
Development Services Fees		1,182,848	751,992	642,678	529,801	570,657	718,872	816,226	585,637	905,471
Engineering Services		-	-	-	-	-	-	-	-	527,949
Administrative Services		1,138,817	1,061,116	344,399	387,734	789,301	853,623	718,152	812,303	240,023
Operating Grants and Contributions	292,110	658,006	525,791	1,070,983	1,192,917	1,657,806	1,887,385	759,123	1,182,931	1,428,999
Capital Grants and Contributions	802,986	787,331	394,806	909,934	-	367,661	1,046,722	443,934	1,416,623	2,543,774
General Revenues										
Taxes	15,601,779	12,895,064	16,700,926	17,660,252	17,430,375	19,785,876	19,619,663	20,271,873	20,958,865	22,090,667
Grants and Contributions not restricted to specific programs	1,077,754	3,333,737	1,153,872	896,719	825,630	771,748	1,329,591	1,063,635	1,279,897	1,047,710
Earnings on investments	514,250	1,174,418	88,067	68,728	62,185	60,442	28,465	25,864	15,325	3,570
Other	278,226	848,815	473,570	476,820	443,673	412,261	119,861	365,396	285,301	318,782
Total Revenues	<u>21,732,580</u>	<u>23,281,709</u>	<u>22,395,243</u>	<u>23,836,053</u>	<u>22,462,641</u>	<u>25,934,971</u>	<u>27,001,805</u>	<u>26,023,204</u>	<u>28,287,921</u>	<u>30,830,493</u>
Change in net position	421,301	(926,169)	(5,497,358)	(1,726,866)	(1,451,830)	932,574	685,995	263,609	1,444,929	3,105,992
Net Position-Beginning	30,045,042	30,466,343	29,540,174	24,042,816	22,315,950	20,864,120	21,796,694	20,848,832	21,112,441	7,240,917
Prior Period Adjustment	-	-	-	-	-	-	(1,633,857)	-	(15,316,453)	-
Net Position-Ending	<u>\$ 30,466,343</u>	<u>\$ 29,540,174</u>	<u>\$ 24,042,816</u>	<u>\$ 22,315,950</u>	<u>\$ 20,864,120</u>	<u>\$ 21,796,694</u>	<u>\$ 20,848,832</u>	<u>\$ 21,112,441</u>	<u>\$ 7,240,917</u>	<u>\$ 10,346,909</u>

Source: County Audit Reports

**JASPER COUNTY, SOUTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

Schedule 3

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL FUND										
Restricted	\$ -	\$ -	\$ -	\$ 387,648	\$ 484,594	\$ 560,768	\$ 350,682	\$ 430,985	\$ 520,978	\$ 563,068
Assigned	-	-	-	-	-	-	-	542,000	1,200,000	1,400,000
Unassigned	7,917,460	6,116,693	1,766,279	2,070,925	2,813,708	4,939,507	6,868,983	7,889,633	8,964,563	10,007,590
Total General Fund	<u>\$ 7,917,460</u>	<u>\$ 6,116,693</u>	<u>\$ 1,766,279</u>	<u>\$ 2,458,573</u>	<u>\$ 3,298,302</u>	<u>\$ 5,500,275</u>	<u>\$ 7,219,665</u>	<u>\$ 8,862,618</u>	<u>\$ 10,685,541</u>	<u>\$ 11,970,658</u>
ECONOMIC DEVELOPMENT FUND										
Assigned	\$ 2,082,420	\$ 2,104,340	\$ 2,070,316	\$ 2,035,086	\$ 2,624,177	\$ 2,638,581	\$ 2,521,012	\$ 2,270,864	\$ 1,989,847	\$ 2,428,304
Total Economic Development Fund	<u>\$ 2,082,420</u>	<u>\$ 2,104,340</u>	<u>\$ 2,070,316</u>	<u>\$ 2,035,086</u>	<u>\$ 2,624,177</u>	<u>\$ 2,638,581</u>	<u>\$ 2,521,012</u>	<u>\$ 2,270,864</u>	<u>\$ 1,989,847</u>	<u>\$ 2,428,304</u>
CAPITAL PROJECTS FUND										
Restricted	\$ 7,144,590	\$ 4,972,735	\$ 6,933,835	\$ 3,467,438	\$ 88,977	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	766,968	455,066	342,905	-	79,529
Assigned	898,606	482,205	424,062	377,670	551,872	-	-	-	-	-
Total Capital Projects Fund	<u>\$ 8,043,196</u>	<u>\$ 5,454,940</u>	<u>\$ 7,357,897</u>	<u>\$ 3,845,108</u>	<u>\$ 640,849</u>	<u>\$ 766,968</u>	<u>\$ 455,066</u>	<u>\$ 342,905</u>	<u>\$ -</u>	<u>\$ 79,529</u>
Debt Service Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 228,370	\$ 440,650	\$ 530,482	\$ 792,360	\$ 768,263	\$ 1,043,165
Total Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,370</u>	<u>\$ 440,650</u>	<u>\$ 530,482</u>	<u>\$ 792,360</u>	<u>\$ 768,263</u>	<u>\$ 1,043,165</u>
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	\$ -	\$ -	\$ -	\$ 220,091	\$ 241,051	\$ 748,647	\$ 995,555	\$ 1,173,880	\$ 1,370,098	\$ 1,501,974
Assigned	-	-	-	-	-	103,337	66,012	-	-	-
Committed	764,894	685,741	912,609	454,792	320,171	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 764,894</u>	<u>\$ 685,741</u>	<u>\$ 912,609</u>	<u>\$ 674,883</u>	<u>\$ 561,222</u>	<u>\$ 851,984</u>	<u>\$ 1,061,567</u>	<u>\$ 1,173,880</u>	<u>\$ 1,370,098</u>	<u>\$ 1,501,974</u>

Source: County Audit Reports

JASPER COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Schedule 4

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 16,310,981	\$ 16,208,963	\$ 16,355,656	\$ 17,552,606	\$ 17,479,566	\$ 19,595,237	\$ 19,783,721	\$ 18,091,572	\$ 18,963,388	\$ 19,903,845
Fines, Fees, and Licenses	3,076,550	3,453,864	2,895,500	2,534,153	2,390,591	2,862,250	3,051,045	5,292,009	5,220,238	5,394,712
Intergovernmental	2,046,598	2,598,454	2,190,940	2,989,546	2,080,292	2,443,676	2,997,701	2,365,825	3,551,585	4,128,984
Miscellaneous	940,811	1,601,576	561,637	574,828	567,411	1,039,387	2,021,768	452,878	790,823	1,378,744
Total Revenues	22,374,940	23,862,857	22,003,733	23,651,133	22,517,860	25,940,550	27,854,235	26,202,284	28,526,034	30,806,285
Expenditures										
Current:										
County Council	134,382	173,655	222,538	204,853	213,154	234,706	226,120	244,730	244,342	249,307
County Attorney	-	-	153,288	149,779	151,057	154,652	156,359	157,093	199,719	121,748
Administrator	349,197	462,763	356,342	395,149	402,354	462,518	486,419	417,627	475,621	470,195
Administrative Services	996,441	1,278,477	1,456,237	1,221,345	1,171,607	1,100,949	1,046,490	1,072,687	1,179,860	1,199,991
Development Services	2,157,475	1,951,846	1,747,988	2,810,939	1,530,359	1,528,004	2,289,923	1,625,112	1,907,703	2,467,565
Emergency Services	8,998,374	9,278,103	10,863,837	9,738,625	8,548,424	8,324,789	8,265,465	8,720,336	8,806,517	8,949,552
Information Technology	-	-	-	-	-	-	513,785	515,238	591,375	703,920
Engineering Services	3,564,388	2,517,335	3,023,712	2,417,162	2,480,938	2,835,578	2,733,107	2,775,502	2,716,641	2,347,232
Treasurer	113,751	152,909	151,414	138,511	139,932	144,769	138,095	168,632	175,003	181,218
Auditor	152,328	222,501	244,309	199,504	191,176	178,350	181,065	177,768	187,193	196,443
Probate Judge	158,338	181,721	177,124	133,452	144,576	134,651	161,568	149,696	151,686	150,659
Clerk of Court	452,632	466,021	511,780	463,147	462,929	488,949	518,360	543,988	536,843	479,603
Sheriff	2,776,339	2,713,230	2,903,803	2,847,602	2,930,756	3,190,916	3,034,464	2,746,125	2,939,745	2,940,976
Magistrate	447,801	455,827	533,569	568,644	542,008	591,428	602,265	601,822	634,959	658,429
Veterans Affairs	105,931	111,219	96,270	109,379	110,624	121,033	114,010	110,233	86,536	84,684
Election Commission	163,790	212,003	209,343	191,239	150,756	203,226	161,787	209,653	184,748	258,753
Coroner	86,037	102,863	111,908	117,434	115,968	152,138	121,620	135,457	145,546	216,135
Interdepartmental	1,199,832	1,096,383	986,759	1,097,047	1,496,310	1,090,215	1,179,957	1,170,452	1,169,859	1,391,010
Health, Education, and Welfare	1,523,863	1,565,675	1,592,191	1,182,128	1,230,667	1,122,440	1,094,773	1,242,662	1,253,636	1,373,727
Debt Service										
Principal	-	9,178,376	1,260,178	2,456,355	166,467	617,519	623,885	595,206	696,402	494,303
Interest	-	288,165	399,799	446,071	497,773	739,226	872,281	943,272	927,490	918,772
Capital Outlay	-	5,540,295	5,613,195	4,294,413	1,713,813	439,162	2,711,124	608,896	2,262,498	5,045,072
Total Expenditures	23,380,899	37,949,367	32,615,584	31,182,778	24,391,648	23,855,218	27,232,922	24,932,187	27,473,922	30,899,294
Excess (deficiency) of revenues over (under) expenditures	(1,005,959)	(14,086,510)	(10,611,851)	(7,531,645)	(1,873,788)	2,085,332	621,313	1,270,097	1,052,112	(93,009)
Other Financing Sources (Uses)										
Issuance of Debt	8,252,240	9,314,726	8,094,000	4,385,000	(271,298)	760,206	968,021	384,738	319,010	2,302,890
Transfers In	723,620	897,514	577,074	574,559	2,199,266	585,211	343,616	439,551	500,802	1,177,793
Transfers Out	(723,620)	(897,514)	(577,074)	(574,559)	(2,199,266)	(585,211)	(343,616)	(439,551)	(500,802)	(1,177,793)
Total Other Financing Sources (Uses)	8,252,240	9,314,726	8,094,000	4,385,000	(271,298)	760,206	968,021	384,738	319,010	2,302,890
Net Change in Fund Balances	7,246,281	(4,771,784)	(2,517,851)	(3,146,645)	(2,145,086)	2,845,538	1,589,334	1,654,835	1,371,122	2,209,881
Fund Balances, Beginning	12,688,005	19,934,286	15,162,502	12,644,651	9,498,006	7,352,920	10,198,458	11,787,792	13,442,627	14,813,749
Fund Balances, Ending	\$ 19,934,286	\$ 15,162,502	\$ 12,644,651	\$ 9,498,006	\$ 7,352,920	\$ 10,198,458	\$ 11,787,792	\$ 13,442,627	\$ 14,813,749	\$ 17,023,630
Debt service as a percentage of noncapital expenditures	0.0%	29.2%	6.1%	10.8%	2.9%	5.8%	6.1%	6.3%	6.4%	5.5%

Source: County Audit Reports

**JASPER COUNTY, SOUTH CAROLINA
 ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Schedule 5

FISCAL YEAR ENDED JUNE 30,	ASSESSED VALUE			MARKET VALUE			TOTAL DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	
	2007	\$ 60,899,190 *	\$ 56,232,882 *	\$ 117,132,072 *	\$ 1,343,006,038 *	\$ 505,275,090 *	
2008	66,020,450	54,038,328	120,058,778	1,416,408,436	343,087,006	1,759,495,442	115.00
2009	67,020,823	55,195,563	122,216,386	1,430,688,443	579,135,539	2,009,823,982	119.00
2010	71,505,827	51,048,894	122,554,721	1,526,523,228	545,302,743	2,071,825,971	126.00
2011	73,864,445 *	49,329,208 *	123,193,653 *	1,553,137,000 *	396,765,531 *	1,949,902,531 *	123.00
2012	73,826,180	52,030,391	125,856,571	1,551,860,000	416,603,807	1,968,463,807	145.00
2013	67,733,480	51,286,490	119,019,970	1,535,120,165	348,145,245	1,883,265,410	155.00
2014	70,886,830	54,168,577	125,055,407	1,537,861,411	433,348,616	1,971,210,027	154.00
2015	73,451,930	56,061,241	129,513,171	1,609,320,587	382,415,318	1,991,735,905	154.00
2016	76,132,670	56,560,351	132,693,021	1,669,576,096	386,077,481	2,055,653,577	154.00

* Reassessment Year.

Data Source: County Auditor

**JASPER COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Schedule 6

FISCAL YEAR ENDED JUNE 30,	COUNTY DIRECT RATES				OVERLAPPING RATES				
	BASIC RATE	EMERGENCY SERVICE	COUNTY DEBT	TOTAL DIRECT RATE	SCHOOL	SCHOOL	CHERRY	TOWN	CITY
					OPERATIONS	DEBT SERVICE	POINT FIRE DISTRICT	OF RIDGELAND	OF HARDEEVILLE
2007	109.50	-	-	109.50	112.50	-	31.00	110.00	153.00
2008	115.00	-	-	115.00	118.00	-	31.00	114.20	153.00
2009	45.00	74.00	-	119.00	122.00	8.00	31.00	114.20	153.00
2010	66.00	60.00	-	126.00	129.00	12.00	31.00	114.20	153.00
2011	69.50	53.50	3.00	126.00	131.50	19.00	31.00	114.20	153.00
2012	86.50	58.50	12.00	157.00	165.25	25.00	33.00	114.20	153.00
2013	85.75	57.25	12.00	155.00	172.00	25.00	33.00	114.20	147.00
2014	86.50	55.50	12.00	154.00	166.00	25.00	33.00	114.20	142.00
2015	86.00	56.00	12.00	154.00	164.00	25.00	32.00	116.20	136.00
2016	86.00	56.00	12.00	154.00	164.00	25.00	32.00	118.20	130.00

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Source: County Finance Office

The County did not have components to the rate prior to 2009.

**JASPER COUNTY, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Schedule 7

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<u>TAXPAYER</u>	<u>2016</u>			<u>2007</u>		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE</u>	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE</u>
South Carolina Electric & Gas	\$ 19,546,611	1	15.09%	\$ 22,694,549	1	19.38%
Palmetto Electric	3,397,270	2	2.62%	2,360,520	2	2.02%
Georgia DOT	1,521,120	3	1.17%	2,260,350	3	1.93%
Carolina Gas Transmission Corporation	1,221,310	4	0.94%	-	-	N/A
Auston Chase	1,044,890	5	0.81%	-	-	N/A
Charleston and Savannah RR	946,557	6	0.00%	-	-	N/A
Courtney Bend LLC	827,160	7	0.64%	-	-	N/A
TOLL SC III LP	708,640	8	0.55%	-	-	N/A
Okeetee Club	707,570	9	0.55%	720,950	9	0.62%
Del Web Communities Inc	585,370	10	0.45%	-	-	N/A
Providence Health Center	-	-	N/A	2,036,620	4	1.74%
Malphrus Construction	-	-	N/A	1,729,970	5	1.48%
Blanchard Machinery Company	-	-	N/A	822,750	6	0.70%
CSX Transportation	-	-	N/A	821,385	7	0.70%
South Carolina Pipeline Corp	-	-	N/A	764,770	8	0.65%
SCG Pipeline Inc	-	-	N/A	690,360	10	0.59%
Total	<u>\$ 30,506,498</u>		<u>22.82%</u>	<u>\$ 34,902,224</u>		<u>29.80%</u>

Source: Jasper County Auditor

**JASPER COUNTY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Schedule 8

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2007	\$ 11,783,083	\$ 10,814,100	91.8%	\$ 781,965	\$ 11,596,065	98.4%
2008	13,483,864	12,695,728	94.2%	602,066	13,297,794	98.6%
2009	14,024,397	12,599,271	89.8%	893,206	13,492,477	96.2%
2010	14,432,970	13,075,617	90.6%	1,240,543	14,316,160	99.2%
2011	14,327,464	13,008,749	90.8%	1,164,100	14,172,849	98.9%
2012	15,594,355	14,172,710	90.9%	1,215,199	15,278,814	98.0%
2013	15,647,788	14,300,250	91.4%	993,177	15,293,427	97.7%
2014	15,274,388	14,002,959	91.7%	953,728	14,956,687	97.9%
2015	15,412,128	14,017,407	91.0%	736,506	14,753,913	95.7%
2016	16,894,779	15,631,056	92.5%	-	15,631,056	92.5%

Source: Delinquent Tax Collector, County Finance Office, County Auditor, County Treasurer

**JASPER COUNTY, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Schedule 9

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES					TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BOND	NOTES PAYABLE	LEASES PAYABLE	REVENUE BOND	BOND ANTICIPATION			
2007	\$ -	\$ 932,866	\$ 2,092,466	\$ -	\$ 8,170,000	\$ 11,195,332	2.0%	465.64
2008	-	820,647	2,006,035	-	8,505,000	11,331,682	2.0%	480.14
2009	-	703,404	2,312,100	-	15,150,000	18,165,504	3.2%	777.60
2010	-	583,424	-	-	18,635,000	19,218,424	3.4%	846.07
2011	-	460,179	-	11,915,000	6,735,000 (1)	19,110,179	3.3%	826.92
2012	4,500,000	1,119,824	-	13,225,000	1,200,000	20,044,824	3.4%	870.27
2013	4,500,000	940,744	820,657	12,563,314	1,245,000	20,069,715	3.2%	845.15
2014	4,500,000	755,071	771,236	13,833,790	-	19,860,097	3.0%	817.25
2015	4,611,277	637,386	1,002,519	13,324,640	-	19,575,822	2.7%	754.34
2016	5,117,851	1,432,493	1,809,425	13,025,490	-	21,385,259	3.0%	824.06

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Source: County Audit Report, US Census Bureau

Note: Details of the County's outstanding debt can be found in the notes to the financial statements.

See schedule 14 for personal income and population.

These ratios are calculated using personal income and population for the prior calendar year.

N/A Information is not available.

(1) Converted to long-term debt on November 1, 2011.

**JASPER COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2014	\$ 4,500,000	\$ 792,360	\$ 3,707,640	3.1%	156.13
2015	4,611,277	768,263	3,843,014	3.1%	158.14
2016	5,117,851	1,043,165	4,074,686	3.1%	157.01

- (1) This is the first year that the County has had General Obligation Debt.
- (2) Principal is not due until FYE 2015; interest only until then.

**JASPER COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Debt repaid with property taxes			
Jasper County School District	\$ 31,138,006	100.00%	\$ 31,138,006
City of Hardeeville	3,050,863	17.50%	533,901
Subtotal overlapping debt	<u>34,188,869</u>		<u>31,671,907</u>
County direct debt	<u>21,385,259</u>	100.00%	<u>21,385,259</u>
Total direct and overlapping debt	<u>\$ 55,574,128</u>		<u>\$ 53,057,166</u>

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Sources: Assessed value data used to estimate applicable percentage provided by Jasper County Auditor.
Debt outstanding data provided by each governmental unit.

**JASPER COUNTY, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Schedule 12

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value	\$ 132,693,021
Debt limit (8% of assessed value)	10,615,442
Debt applicable to limit:	
General Obligation	<u>(5,117,851)</u>
Total net debt applicable to limit	<u>(5,117,851)</u>
Legal Debt Margin	<u><u>\$ 5,497,591</u></u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 9,370,565	\$ 9,604,702	\$ 9,777,311	\$ 9,804,378	\$ 9,855,492	\$ 10,068,525	\$ 9,521,598	\$ 10,004,433	\$ 10,361,054	\$ 10,615,442
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,500,000)</u>	<u>(4,500,000)</u>	<u>(4,500,000)</u>	<u>(4,611,277)</u>	<u>(5,117,851)</u>
Legal debt margin	<u><u>\$ 9,370,565</u></u>	<u><u>\$ 9,604,702</u></u>	<u><u>\$ 9,777,311</u></u>	<u><u>\$ 9,804,378</u></u>	<u><u>\$ 9,855,492</u></u>	<u><u>\$ 5,568,525</u></u>	<u><u>\$ 5,021,598</u></u>	<u><u>\$ 5,504,433</u></u>	<u><u>\$ 5,749,777</u></u>	<u><u>\$ 5,497,591</u></u>
Total net debt applicable to the limit as a percentage of debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44.7%</u>	<u>47.3%</u>	<u>45.0%</u>	<u>44.5%</u>	<u>48.2%</u>

Under state finance law, the County's outstanding general obligation debt should not exceed 8 percent of the total assessed property value.

Source: County Audit Report
County Auditor

**JASPER COUNTY, SOUTH CAROLINA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	DEBT SERVICE COLLECTIONS	DEBT SERVICE		COVERAGE
		PRINCIPAL	INTEREST	
2014	\$ 1,285,496	\$ 410,000	\$ 816,643	1.05
2015	1,357,423	510,000	871,460	0.98
2016	1,412,046	300,000	862,144	1.22

This was the first year that revenue was pledged for the payment of debt.

**JASPER COUNTY, SOUTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	POPULATION	PERSONAL INCOME (thousands of dollars)	PER CAPITA PERSONAL INCOME	MEDIAN AGE	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
2007	22,971	\$ 552,296	\$ 24,043	33.8	3,960	5.7 %
2008	23,620	557,447	23,601	32.7	4,307	6.0
2009	24,234	566,130	23,361	N/A	4,090	10.4
2010	24,940	566,504	22,715	34.8	4,136	9.9
2011	25,418	587,417	23,110	35.4	4,025	9.8
2012	25,973	598,243	23,033	35.4	4,012	8.9
2013	26,710	634,288	23,747	35.6	3,936	8.1
2014	27,170	660,261	24,301	34.0	3,997	6.0
2015	27,170	722,056	25,951	34.0	3,879	5.9
2016	27,824	722,056	25,951	36.3	3,928	5.0

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Data Source:

- (1) US Bureau of the Census
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) Lowcountry Council of Governments
- (4) South Carolina Department of Education
- (5) South Carolina Employment Security Commission

**JASPER COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Schedule 15

EMPLOYER	2016			2007		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Jasper County School District	415	1	3.48 %	450	2	4.51 %
New River Auto Mall	377	2	3.16	N/A		N/A
Wal-Mart	288	3	2.42	320	3	3.21
Beaufort-Jasper Comprehensive Health	250	4	2.10	250	4	2.51
Jasper County	245	5	2.06	246	5	2.47
Ridgeland Correctional Institution	197	6	1.65	190	6	1.91
Cleland Construction Company	187	7	1.57	180	7	1.81
Coastal Carolina Medical Center	174	8	1.46	N/A		N/A
J.C. Board of Disabilities & Special Needs	115	9	0.97	120	9	1.20
Tico Manufacturing	107	10	0.90	N/A		N/A
Malphrus Construction				880	1	8.83
Providence Health Care				145	8	1.45
Razor Component Systems, Inc.				101	10	1.01
Total	<u>2,355</u>		<u>19.77 %</u>	<u>2,882</u>		<u>28.92 %</u>

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Source: County Economic Development Department

**JASPER COUNTY, SOUTH CAROLINA
PERMANENT POSITIONS FOR COUNTY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Schedule 16

FUNCTION/PROGRAM	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
County Council	5	5	6	6	6	6	6	6	6	6
Administrator	4	4	3	3	2	3	2	2	2	2
Administrative Services	18	24	22	19	17	16	16	16	16	17
Development Services	11	14	10	5	4	5	5	5	5	5
Emergency Services	94	82	7	6	4	4	4	4	4	4
Engineering Services	43	48	45	40	39	35	35	35	33	38
Treasurer	3	3	3	3	3	3	3	3	3	3
Auditor	4	5	5	4	4	4	4	4	4	4
Probate Judge	3	3	3	2	2	2	2	2	2	2
Clerk of Court	8	8	10	8	9	7	7	7	7	6
Sheriff	37	34	38	39	39	42	42	42	41	40
Magistrate	8	9	11	11	11	11	11	11	11	11
Veterans Affairs	2	2	2	2	2	2	2	2	2	2
Election Commission	3	3	2	2	2	2	2	2	2	2
Coroner	1	1	2	3	2	2	2	2	2	3
Recreation	2	2	6	5	5	5	5	5	5	6
Fire & Rescue	N/A	N/A	42	39	38	43	47	47	47	42
Emergency Telecommunications	N/A	N/A	13	12	11	11	12	15	13	12
Information Technology	N/A	N/A	1	1	1	1	2	2	2	2
Detention	N/A	N/A	41	39	39	34	37	37	35	36
County Attorney	N/A	N/A	N/A	N/A	2	2	2	2	2	2
Total	246	247	272	249	242	240	248	251	244	245

Source: County Human Resources

(a) The County began the hiring of additional jailers to staff the new detention center.

N/A After a management study, the County reorganized the functional areas and information prior to year 2002 would not be comparable.

**JASPER COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Schedule 17

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REGISTER OF DEEDS										
Documents Recorded	7,728	6,882	5,606	5,429	4,737	5,654	6,713	5,697	6,032	5,638
SOLID WASTE										
Tons of Solid Waste Handled	11,153	9,866	9,866	9,956	5,353	7,399	7,048	9,967	8,446	9,499
BUILDING DEPARTMENT										
Residential Permits Issued	495	303	224	169	14	159	207	188	203	255
Value of Residential Permits	\$ 32,189,775	\$ 17,545,771	\$ 9,505,205	\$ 5,495,999	\$ 2,568,369	\$ 2,857,057	\$ 6,703,564	\$ 6,342,794	\$ 6,127,234	\$ 19,795,173
Commercial Permits Issued	78	61	127	44	4	30	35	62	64	58
Value of Commercial Permits	\$ 11,198,793	\$ 41,595,921	\$ 8,058,570	\$ 11,800,549	\$ 2,883,447	\$ 3,907,760	\$ 7,016,742	\$ 6,583,575	\$ 5,001,472	\$ 12,564,136
Mobile Home Permits Issued	228	132	116	92	82	120	103	86	104	68
PARKS & RECREATION										
Park Attendance	46,987	49,054	63,323	65,372	57,400	61,024	81,253	17,966	19,542 *	19,552
DETENTION CENTER										
Confinements	2,373	2,655	2,578	2,283	2,587	2,297	1,600	1,992	1,974	1,779
BUSINESS LICENSES & BILLBOARDS										
Business Licenses Issued	N/A	642	977	849	753	717	684	845	913	586
Gross Sales Within County	\$ 923,657,760	\$ 939,769,745	\$ 845,973,337	\$ 750,636,025	N/A	N/A	\$ 1,050,332,950	\$ 924,434,928	\$ 921,111,732	\$ 1,320,828,986
EMERGENCY SERVICES										
Calls Dispatched	22,446	21,877	40,061	47,359	50,811	50,952	46,271	49,479	51,080	51,384

* Park attendance changed in year 2014 to reflect only Sgt Jasper Park vehicle count.

N/A Information is not available.

* Department opened in November 2005.

Source: Various County Departments

**JASPER COUNTY, SOUTH CAROLINA
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Schedule 18

FUNCTION/PROGRAM	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
DEVELOPMENT SERVICES:										
Community centers	6	6	6	6	6	6	6	6	6	6
Parks	11	11	11	11	11	11	11	11	11	11
Parks acreage	422	422	422	422	422	422	422	422	422	422
Boat landings	6	6	6	6	6	6	6	6	6	6
EMERGENCY SERVICES:										
Number of fire stations	9	9	8	8	8	8	8	9	9	11
Number of fire trucks	19	19	19	19	19	19	19	19	19	15
Number of ambulances	7	7	7	7	7	7	7	7	7	6
ENGINEERING SERVICES:										
Miles of Roads	124	124	124	124	124	124	124	124	124	124
Recycling centers	6	6	6	6	6	6	6	6	6	6
SHERIFF:										
Patrol units	18	18	18	18	18	18	18	18	18	18
HEALTH, EDUCATION & WELFARE										
County libraries	2	2	2	2	2	2	2	2	2	2

N/A Information is not available.

COMPLIANCE SECTION

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2016**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Pass-Through to Sub-Recipients</u>	<u>Expenditures</u>
<i>US Department of Health & Human Services</i>				
Passed through the SC Department of Social Services				
Child Enforcement Block Grant	93.563		\$ -	\$ 68,770
<i>US Department of Agriculture</i>				
Passed through the SC State Forestry Commission				
Volunteer Fire Assistance Grants	10.664		-	24,749
<i>US Department of Transportation</i>				
Airport Improvement Program	20.106		-	1,642,911
<i>US Department of Homeland Security</i>				
Passed through the SC Department of Emergency Preparedness				
Trauma Grant	97.004		-	11,334
LEMPG Grant	97.042		-	43,580
Total Federal Financial Assistance			<u>\$ -</u>	<u>\$ 1,791,344</u>

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See accompanying notes to schedule of expenditures of federal awards.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Jasper County, South Carolina (the County) under programs of the federal government for the year ended June 30, 2016. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10% de Minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 NON-CASH AWARDS

The County did not receive any non-cash federal awards during the year ended June 30, 2016.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Council
Jasper County, South Carolina
Ridgeland, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, South Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Jasper County, South Carolina's basic financial statements, and have issued our report thereon dated December 2, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jasper County, South Carolina's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jasper County, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Jasper County, South Carolina's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jasper County, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 2, 2016

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the County Council
Jasper County, South Carolina
Ridgeland, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Jasper County, South Carolina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jasper County, South Carolina's major federal programs for the year ended June 30, 2016. Jasper County, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Jasper County, South Carolina's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jasper County, South Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jasper County, South Carolina's compliance.

Opinion on Each Major Federal Program

In our opinion, Jasper County, South Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Jasper County, South Carolina is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jasper County, South Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jasper County, South Carolina's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 2, 2016

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

I. Summary of Auditors' Results

- A. The auditors' report expresses an unmodified opinion on the financial statements of Jasper County, South Carolina.
- B. Our audit of the financial statements disclosed no significant deficiencies or material weaknesses in internal control over financial reporting.
- C. No instances of noncompliance material to the financial statements of Jasper County, South Carolina, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
- D. No significant deficiencies in internal controls over major federal award programs were disclosed during the audit.
- E. The auditors' report on compliance for the major federal award programs of Jasper County, South Carolina expresses an unmodified opinion on all major federal programs.
- F. Our audit disclosed no audit findings which relate to the federal awards which are required to be reported under section 2 CFR section 200.516(a).
- G. Major federal program for Jasper County, South Carolina for the fiscal year ended June 30, 2016 are:

<u>Program Name</u>	<u>CFDA#</u>
Airport Improvement Program	20.106

- H. The threshold for determining Type A programs for Jasper County, South Carolina is \$750,000.
- I. Jasper County, South Carolina did not qualify as a low risk auditee.

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

II. Findings and Questioned Costs Related to the Audit of the Financial Statements of the Jasper County, South Carolina:

There were no findings noted for the year ended June 30, 2016, which are required to be reported in accordance with *Government Auditing Standards*.

III Findings and Questioned Costs Related to the Audit of Federal Awards of Jasper County, South Carolina:

There were no findings noted for the year ended June 30, 2016, which are required to be reported in accordance with 2 CFR section 200.516(a).

IV. Prior Audit Findings Related to the Audit of the Financial Statements of Jasper County, South Carolina:

Finding: 2015-1
Status: Corrected.